

PIMCO VARIABLE INSURANCE TRUST

# Annual Report

December 31, 2020

PIMCO CommodityRealReturn® Strategy Portfolio



As permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Portfolio's annual and semi-annual shareholder reports will no longer be sent by mail from the insurance company that offers your contract unless you specifically request paper copies of the reports from the insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a website, and the insurance company will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company electronically by following the instructions provided by the insurance company.

You may elect to receive all future reports in paper free of charge from the insurance company. You should contact the insurance company if you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all portfolio companies available under your contract at the insurance company.



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### Dear Shareholder,

We hope that you and your family are remaining safe and healthy during these challenging times. We continue to work tirelessly to navigate markets and manage the assets that you have entrusted with us. Following this letter is the PIMCO Variable Insurance Trust Annual Report, which covers the 12-month reporting period ended December 31, 2020. On the subsequent pages, you will find specific details regarding investment results and a discussion of the factors that most affected performance during the reporting period.

### For the 12-month reporting period ended December 31, 2020

The global economy was severely impacted by the repercussions related to the COVID-19 pandemic. Looking back, U.S. annualized gross domestic product ("GDP") was -5.0% during the first quarter of 2020. The economy then significantly weakened due to COVID-19, as annualized GDP growth in the second quarter was -31.4%. This represented the steepest quarterly decline on record. With the economy reopening, third-quarter GDP growth was 33.4%, the largest quarterly increase on record. The Commerce Department's initial estimate for fourth-quarter annualized GDP growth — released after the reporting period ended — was 4.0%.

The Federal Reserve (the "Fed") took unprecedented actions to support the economy and keep markets functioning properly. In early March 2020, the Fed lowered the federal funds rate to a range between 1.00% and 1.25%. Later in the month, the Fed lowered the rate to a range between 0.00% and 0.25%. On March 23, the Fed announced that it would make unlimited purchases of Treasury and mortgage securities and, for the first time, it would purchase corporate bonds on the open market. In August 2020, Fed Chair Jerome Powell said that the central bank had changed how it viewed the trade-off between lower unemployment and higher inflation. Per Powell's statement, the Fed's new approach to setting U.S. monetary policy will entail letting inflation run higher, which could mean interest rates remain low for an extended period. Meanwhile, in March 2020, the U.S. government passed a total of roughly \$2.8 trillion in fiscal stimulus measures to aid the economy. A subsequent \$900 billion stimulus package was finalized in December 2020.

Economies outside the U.S. were significantly impacted by the pandemic too. In its October 2020 World Economic Outlook Update, the International Monetary Fund ("IMF") stated that it expects 2020 GDP in the eurozone, U.K. and Japan will be -8.3%, -9.8% and -5.3%, respectively. For comparison purposes, the GDP of these economies expanded 1.3%, 1.5% and 0.7%, respectively, in 2019.

Against this backdrop, central banks and governments around the world took a number of aggressive actions. Looking back, in March 2020, the European Central Bank (the "ECB") unveiled a new €750 billion bond-buying program, which was subsequently expanded by another €600 billion in June 2020. In July, the European Union agreed on a €1.8 trillion spending package to bolster its economy. In December 2020, the ECB expanded its monetary stimulus program by another €500 billion. The Bank of England reduced its key lending rate to 0.10% — a record low — in March, added £100 billion to its quantitative easing program in June, and increased its bond-buying program by £150 billion to £895 billion in November. Finally, toward the end of the year, the U.K. and the European Union agreed to a long-awaited Brexit deal. Elsewhere, the Bank of Japan maintained its short-term interest rate at -0.10%, while increasing the target for its holdings of corporate bonds to ¥4.2 trillion from ¥3.2 trillion. In May 2020, the Japanese government doubled its stimulus measures with a ¥117 trillion package. Finally, in December 2020, the Bank of Japan announced a new ¥73.6 trillion stimulus package.

Both short- and long-term U.S. Treasury yields fell sharply during the reporting period. In our view, this was due to several factors, including sharply contracting global growth, the Fed's accommodative monetary policy, and periods of heightened investor risk aversion. The yield on the benchmark 10-year U.S. Treasury note was 0.93% at the end of the reporting period, versus 1.92% on December 31, 2019. The Bloomberg Barclays Global Treasury Index (USD Hedged), which tracks fixed-rate, local currency government debt of investment grade countries, including both developed and emerging markets, returned 5.12%. Meanwhile, the Bloomberg Barclays Global Aggregate Credit Index (USD Hedged), a

widely used index of global investment grade credit bonds, returned 7.78%. Riskier fixed income asset classes, including high yield corporate bonds and emerging market debt, also rallied. The ICE BofAML Developed Markets High Yield Constrained Index (USD Hedged), a widely used index of below-investment-grade bonds, returned 5.68%, whereas emerging market external debt, as represented by the JPMorgan Emerging Markets Bond Index (EMBI) Global (USD Hedged), returned 5.88%. Emerging market local bonds, as represented by the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged), returned 2.69%.

Despite the headwinds from the pandemic, global equities generally produced strong results. All told, U.S. equities, as represented by the S&P 500 Index, returned 18.40%, partially fueled by a sharp rally in November and December 2020, because, in our view, investor sentiment improved after positive COVID-19 vaccine news. Global equities, as represented by the MSCI World Index, returned 15.90%, whereas emerging market equities, as measured by the MSCI Emerging Markets Index, returned 18.31%. Meanwhile, Japanese equities, as represented by the Nikkei 225 Index (in JPY), returned 18.24%. However, European equities, as represented by the MSCI Europe Index (in EUR), returned -3.32%.

Commodity prices were volatile and produced mixed results. When the reporting period began, Brent crude oil was approximately \$67 a barrel. Brent crude oil traded below \$20 a barrel when the pandemic hit and ended the reporting period at roughly \$52 a barrel. We believe that oil prices declined due to the demand destruction created by the pandemic. In contrast, copper and gold prices moved higher.

Finally, there were also periods of volatility in the foreign exchange markets, in our view due to fluctuating economic growth, trade conflicts and changing central bank monetary policies, along with the U.S. election and several geopolitical events. The U.S. dollar weakened against a number of other major currencies. For example, the U.S. dollar returned -8.94%, -3.12% and -5.19% versus the euro, the British pound and the Japanese yen, respectively.

Thank you for the assets you have placed with us. We deeply value your trust, and we will continue to work diligently to meet your broad investment needs.



Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Strelow'.

Peter G. Strelow  
Chairman of the Board  
PIMCO Variable Insurance Trust

Past performance is no guarantee of future results. Unless otherwise noted, index returns reflect the reinvestment of income distributions and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. It is not possible to invest directly in an unmanaged index.

## Important Information About the PIMCO CommodityRealReturn® Strategy Portfolio

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PIMCO Variable Insurance Trust (the “Trust”) is an open-end management investment company that includes the PIMCO CommodityRealReturn® Strategy Portfolio (the “Portfolio”). The Portfolio is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies (“Variable Contracts”). Individuals may not purchase shares of the Portfolio directly. Shares of the Portfolio also may be sold to qualified pension and retirement plans outside of the separate account context.

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates may trend upward, rising rates would negatively impact the performance of most bond funds, and fixed income securities and other instruments held by the Portfolio are likely to decrease in value. A wide variety of factors can cause interest rates or yields of U.S. Treasury securities (or yields of other types of bonds) to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). In addition, changes in interest rates can be sudden and unpredictable, and there is no guarantee that management will anticipate such movement accurately. The Portfolio may lose money as a result of movements in interest rates.

As of the date of this report, interest rates in the United States and many parts of the world, including certain European countries, are at or near historically low levels. Thus, the Portfolio currently faces a heightened level of risk associated with rising interest rates and/or bond yields. This could be driven by a variety of factors, including but not limited to central bank monetary policies, changing inflation or real growth rates, general economic conditions, increasing bond issuances or reduced market demand for low yielding investments. Further, while bond markets have steadily grown over the past three decades, dealer inventories of corporate bonds are near historic lows in relation to market size. As a result, there has been a significant reduction in the ability of dealers to “make markets.”

Bond funds and individual bonds with a longer duration (a measure used to determine the sensitivity of a security’s price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets or negatively impact the Portfolio’s performance or cause the Portfolio to incur losses. As a result, the Portfolio may experience increased shareholder redemptions which, among other things, could further reduce the net assets of the Portfolio.

The Portfolio may be subject to various risks as described in the Portfolio’s prospectus and in the Principal and Other Risks in the Notes to Financial Statements.

Classifications of the Portfolio’s portfolio holdings in this report are made according to financial reporting standards. The classification of a particular portfolio holding as shown in the Allocation Breakdown and Schedule of Investments sections of this report may differ from the classification used for the Portfolio’s compliance calculations, including those used in the Portfolio’s prospectus, investment objectives, regulatory, and other investment limitations and policies, which may be based on different asset class, sector or geographical classifications. The Portfolio is separately monitored for compliance with respect to prospectus and regulatory requirements.

The geographical classification of foreign (non-U.S.) securities in this report, if any, are classified by the country of incorporation of a holding. In certain instances, a security’s country of incorporation may be different from its country of economic exposure.

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Portfolio’s performance. In addition, COVID-19 and governmental responses to COVID-19 may negatively impact the capabilities of the Portfolio’s service providers and disrupt the Portfolio’s operations.

The United States’ enforcement of restrictions on U.S. investments in certain issuers and tariffs on goods from other countries, each with a focus on China, has contributed to international trade tensions and may impact portfolio securities.

The United Kingdom’s withdrawal from the European Union may impact Portfolio returns. The withdrawal may cause substantial volatility in foreign exchange markets, lead to weakness in the exchange rate of the British pound, result in a sustained period of market uncertainty, and destabilize some or all of the other European Union member countries and/or the Eurozone.

The Portfolio may invest in certain instruments that rely in some fashion upon the London Interbank Offered Rate (“LIBOR”). LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. The United Kingdom’s Financial Conduct Authority, which regulates LIBOR, has announced plans to ultimately phase out the use of LIBOR. There remains uncertainty regarding future utilization of LIBOR and the nature of any replacement rate (e.g., the Secured Overnight Financing Rate, which is intended to replace U.S. dollar LIBOR and measures the cost of overnight borrowings through

repurchase agreement transactions collateralized with U.S. Treasury securities). Any potential effects of the transition away from LIBOR on the Portfolio or on certain instruments in which the Portfolio invests can be difficult to ascertain, and they may vary depending on a variety of factors. The transition may also result in a reduction in the value of certain instruments held by the Portfolio or a reduction in the effectiveness of related Portfolio transactions such as hedges. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses to the Portfolio.

The Portfolio will seek to gain exposure to the commodity markets primarily through investments in leveraged or unleveraged commodity index-linked notes, which are derivative debt instruments with principal and/or coupon payments linked to the performance of commodity indices, and through investments in the PIMCO Cayman Commodity Portfolio I Ltd. (the "Subsidiary"), a wholly-owned subsidiary (as discussed below). The Portfolio may also invest in commodity-linked notes with principal and/or coupon payments linked to the value of particular commodities or commodity futures contracts, or a subset of commodities or commodity futures contracts. These notes are sometimes referred to as "structured notes" because the terms of these notes may be structured by the issuer and the purchaser of the notes. The value of these notes will rise or fall in response to changes in the underlying commodity or related index of investments. These notes expose the Portfolio economically to movements in commodity prices. The Portfolio is intended for long-term investors and an investment in the Portfolio should be no more than a small part of a typical diversified portfolio. The Portfolio's share price is expected to be more volatile than that of other funds. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, changes in interest rates, or factors affecting a particular industry or commodity, such as weather, disease, embargoes, and international economic, political and regulatory developments. These notes also are subject to risks, such as credit, market and interest rate risks, that in general affect the values of debt securities. In addition, these notes are often leveraged, increasing the volatility of each note's

market value relative to changes in the underlying commodity, commodity futures contract or commodity index. Therefore, at maturity of the note, the Portfolio may receive more or less principal than it originally invested. The Portfolio might receive interest payments on the note that are more or less than the stated coupon interest payments. The Portfolio may also gain exposure to the commodity markets indirectly by investing in its Subsidiary, which will primarily invest in different commodity-linked derivative instruments than the Portfolio, including swap agreements, commodity options, futures and options on futures.

On the Portfolio Summary page in this Shareholder Report, the Average Annual Total Return table and Cumulative Returns chart measure performance assuming that any dividend and capital gain distributions were reinvested. The Cumulative Returns chart reflects only Administrative Class performance. Performance may vary by share class based on each class's expense ratios. The Portfolio measures its performance against at least one broad-based securities market index ("benchmark index"). The benchmark index does not take into account fees, expenses, or taxes. The Portfolio's past performance, before and after taxes, is not necessarily an indication of how the Portfolio will perform in the future. There is no assurance that the Portfolio, even if the Portfolio has experienced high or unusual performance for one or more periods, will experience similar levels of performance in the future. High performance is defined as a significant increase in either 1) the Portfolio's total return in excess of that of the Portfolio's benchmark between reporting periods or 2) the Portfolio's total return in excess of the Portfolio's historical returns between reporting periods. Unusual performance is defined as a significant change in the Portfolio's performance as compared to one or more previous reporting periods. Historical performance for the Portfolio or a share class thereof may have been positively impacted by fee waivers or expense limitations in place during some or all of the periods shown, if applicable. Future performance (including total return or yield) and distributions may be negatively impacted by the expiration or reduction of any such fee waivers or expense limitations.

The following table discloses the inception dates of the Portfolio and its share classes along with the Portfolio's diversification status as of period end:

| Portfolio Name                                | Portfolio Inception | Institutional Class | Class M  | Administrative Class | Advisor Class | Diversification Status |
|---|---------------------|---------------------|----------|----------------------|---------------|------------------------|
| PIMCO CommodityRealReturn® Strategy Portfolio | 06/30/04            | 04/30/12            | 11/10/14 | 06/30/04             | 02/28/06      | Diversified            |

An investment in the Portfolio is not a bank deposit and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money on investments in the Portfolio.

The Trustees are responsible generally for overseeing the management of the Trust. The Trustees authorize the Trust to enter into service agreements with the Adviser, the Distributor, the Administrator and other service providers in order to provide, and in some cases authorize service providers to procure through other parties, necessary or

desirable services on behalf of the Trust and the Portfolio. Shareholders are not parties to or third-party beneficiaries of such service agreements. Neither this Portfolio's prospectus nor summary prospectus, the Trust's Statement of Additional Information ("SAI"), any contracts filed as exhibits to the Trust's registration statement, nor any other communications, disclosure documents or regulatory filings (including this report) from or on behalf of the Trust or the Portfolio creates a contract between or among any shareholder of the Portfolio, on the one hand, and the Trust, the Portfolio, a service provider to the Trust or the Portfolio, and/or the Trustees or officers of the Trust, on the other hand. The Trustees (or the Trust and its officers, service providers or other delegates acting under authority of the Trustees) may amend the most recent prospectus or use a new prospectus, summary prospectus or SAI with respect to the Portfolio or the Trust, and/or amend, file and/or issue any other communications, disclosure documents or regulatory filings, and may amend or enter into any contracts to which the Trust or the Portfolio is a party, and interpret the investment objective(s), policies, restrictions and contractual provisions applicable to the Portfolio, without shareholder input or approval, except in circumstances in which shareholder approval is specifically required by law (such as changes to fundamental investment policies) or where a shareholder approval requirement is specifically disclosed in the Trust's then-current prospectus or SAI.

PIMCO has adopted written proxy voting policies and procedures ("Proxy Policy") as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. The Proxy Policy has been adopted by the Trust as the policies and procedures that PIMCO will use when voting proxies on behalf of the Portfolio. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of the Portfolio, and information about how the Portfolio voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Trust at (888) 87-PIMCO, on the Portfolio's website at [www.pimco.com/pvit](http://www.pimco.com/pvit), and on the Securities and Exchange Commission's ("SEC") website at [www.sec.gov](http://www.sec.gov).

The Portfolio files portfolio holdings information with the SEC on Form N-PORT within 60 days of the end of each fiscal quarter. The Portfolio's complete schedule of securities holdings as of the end of each fiscal quarter will be made available to the public on the SEC's website at [www.sec.gov](http://www.sec.gov) and on PIMCO's website at [www.pimco.com/pvit](http://www.pimco.com/pvit), and will be made available, upon request, by calling PIMCO at (888) 87-PIMCO.

The SEC adopted a rule that allows shareholder reports to be delivered to investors by providing access to such reports online free of charge and by mailing a notice that the report is electronically available. Pursuant to the rule, investors may elect to receive all future reports in

paper free of charge by contacting their insurance company. Any election to receive reports in paper will apply to all portfolio companies available under the investor's contract at the insurance company.

In August 2020, the SEC proposed changes to the mutual fund and ETF shareholder report and registration statement disclosure requirements and the registered fund advertising rules, which, if adopted, will change the disclosures provided to shareholders.

In October 2020, the SEC adopted a rule related to the use of derivatives, short sales, reverse repurchase agreements and certain other transactions by registered investment companies that rescinds and withdraws the guidance of the SEC and its staff regarding asset segregation and cover transactions. Subject to certain exceptions, and after an eighteen-month transition period, the rule requires portfolios to trade derivatives and other transactions that create future payment or delivery obligations (except reverse repurchase agreements and similar financing transactions) subject to a value-at-risk leverage limit, certain derivatives risk management program and reporting requirements. These requirements may limit the ability of the Portfolio to use derivatives and reverse repurchase agreements and similar financing transactions as part of its investment strategies and may increase the cost of the Portfolio's investments and cost of doing business, which could adversely affect investors.

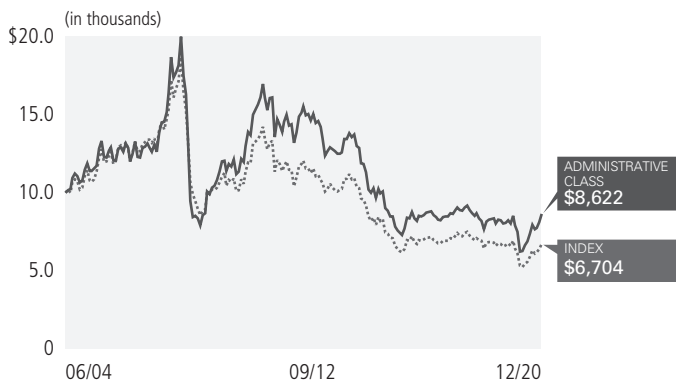
In October 2020, the SEC adopted a rule regarding the ability of a fund to invest in other funds. The rule allows a fund to acquire shares of another fund in excess of certain limitations currently imposed by the Investment Company Act of 1940 (the "Act") without obtaining individual exemptive relief from the SEC, subject to certain conditions. The rule also included the rescission of certain exemptive relief from the SEC and guidance from the SEC staff for funds to invest in other funds. The impact that these changes may have on the Portfolio is uncertain.

In December 2020, the SEC adopted a rule addressing fair valuation of fund investments. The new rule sets forth requirements for good faith determinations of fair value as well as for the performance of fair value determinations, including related oversight and reporting obligations. The new rule also defines "readily available market quotations" for purposes of the definition of "value" under the Act, and the SEC noted that this definition will apply in all contexts under the Act. The SEC adopted an eighteen-month transition period beginning from the effective date for both the new rule and the associated new recordkeeping requirements. The impact of the new rule on the Portfolio is uncertain at this time.



# PIMCO CommodityRealReturn® Strategy Portfolio (Consolidated)

## Cumulative Returns Through December 31, 2020



\$10,000 invested at the end of the month when the Portfolio's Administrative Class commenced operations.

## Allocation Breakdown as of December 31, 2020<sup>†§</sup>

|                                       |       |
|---------------------------------------|-------|
| U.S. Treasury Obligations             | 55.7% |
| Short-Term Instruments <sup>†</sup>   | 17.8% |
| U.S. Government Agencies              | 9.2%  |
| Sovereign Issues                      | 7.2%  |
| Asset-Backed Securities               | 4.3%  |
| Corporate Bonds & Notes               | 3.9%  |
| Non-Agency Mortgage-Backed Securities | 1.9%  |

<sup>†</sup> % of Investments, at value.

<sup>§</sup> Allocation Breakdown and % of investments exclude securities sold short and financial derivative instruments, if any.

<sup>†</sup> Includes Central Funds Used for Cash Management Purposes.

## Investment Objective and Strategy Overview

PIMCO CommodityRealReturn® Strategy Portfolio seeks maximum real return, consistent with prudent investment management, by investing under normal circumstances in commodity-linked derivative instruments backed by a portfolio of inflation-indexed securities and other Fixed Income Instruments. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. "Real Return" equals total return less the estimated cost of inflation, which is typically measured by the change in an official inflation measure. The Portfolio invests in commodity-linked derivative instruments, including commodity index-linked notes, swap agreements, commodity options, futures and options on futures that provide exposure to the investment returns of the commodities markets without investing directly in physical commodities. Portfolio strategies may change from time to time. Please refer to the Portfolio's current prospectus for more information regarding the Portfolio's strategy.

## Average Annual Total Return for the period ended December 31, 2020

|  | 1 Year  | 5 Years | 10 Years | Inception <sup>≈</sup> |
|--|---------|---------|----------|------------------------|
| PIMCO CommodityRealReturn® Strategy Portfolio Institutional Class    | 1.50%   | 2.82%   | —        | (5.59)%                |
| PIMCO CommodityRealReturn® Strategy Portfolio Class M                | 1.08%   | 2.35%   | —        | (5.11)%                |
| — PIMCO CommodityRealReturn® Strategy Portfolio Administrative Class | 1.35%   | 2.67%   | (5.39)%  | (0.89)%                |
| PIMCO CommodityRealReturn® Strategy Portfolio Advisor Class          | 1.23%   | 2.54%   | (5.49)%  | (2.36)%                |
| ..... Bloomberg Commodity Index Total Return <sup>‡</sup>            | (3.12)% | 1.03%   | (6.50)%  | (2.39)% ♦              |

All Portfolio returns are net of fees and expenses and include applicable fee waivers and/or expense limitations. Absent any applicable fee waivers and/or expense limitations, performance would have been lower and there can be no assurance that any such waivers or limitations will continue in the future.

<sup>≈</sup> For class inception dates please refer to the Important Information.

♦ Average annual total return since 06/30/2004.

<sup>‡</sup> Bloomberg Commodity Index Total Return is an unmanaged index composed of futures contracts on a number of physical commodities. The index is designed to be a highly liquid and diversified benchmark for commodities as an asset class. The futures exposures of the benchmark are collateralized by US T-bills.

It is not possible to invest directly in an unmanaged index.

*Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. The Portfolio's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in Variable Contracts, which will reduce returns. Differences in the Portfolio's performance versus the index and related attribution information with respect to particular categories of securities or individual positions may be attributable, in part, to differences in the prices of individual positions (which may be sourced from different pricing vendors or other sources) used by the Portfolio and the index. For performance current to the most recent month-end, visit [www.pimco.com/pvit](http://www.pimco.com/pvit) or via (888) 87-PIMCO.*

*The Portfolio's total annual operating expense ratio in effect as of period end, which includes the Acquired Fund Fees and Expenses (Commodity Subsidiary expenses), were 2.12% for Institutional Class shares, 2.57% for Class M shares, 2.27% for Administrative Class shares, and 2.37% for Advisor Class shares. Details regarding any changes to the Portfolio's operating expenses, subsequent to period end, can be found in the Portfolio's current prospectus, as supplemented.*

## Portfolio Insights

The following affected performance (on a gross basis) during the reporting period:

- » The structural allocation to U.S. short-term Treasury Inflation-Protected Securities ("TIPS") as collateral backing the Portfolio's commodity exposure contributed to absolute performance, as U.S. short-term TIPS, as measured by the Bloomberg Barclays U.S. 1-5 Year TIPS Index delivered positive returns.
- » Overweight exposure to agency mortgage-backed securities ("MBS") contributed to relative performance, as MBS returns were positive.
- » Overweight exposure to U.S. breakeven inflation ("BEI") spreads (or the yield differential between nominal Treasuries and like-maturity inflation-linked bonds) contributed to relative performance, as U.S. BEI spreads moved higher.
- » Underweight exposure to U.K. BEI spreads contributed to relative performance, as U.K. BEI spreads moved lower.
- » Exposure to broad commodities detracted from absolute performance, as broad commodities, as measured by the Bloomberg Commodity Index Total Return posted losses.
- » Overweight exposure to energy commodities detracted from relative performance, as these commodities underperformed the broader Bloomberg Commodity Index.

## Expense Example PIMCO CommodityRealReturn® Strategy Portfolio (Consolidated)

### Example

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including investment advisory fees, supervisory and administrative fees, distribution and/or service (12b-1) fees (if applicable), and other Portfolio expenses. The Example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The Expense Example does not reflect any fees or other expenses imposed by the Variable Contracts. If it did, the expenses reflected in the Expense Example would be higher. The Example is based on an investment of \$1,000 invested at the beginning of the period and held from July 1, 2020 to December 31, 2020 unless noted otherwise in the table and footnotes below.

### Actual Expenses

The information in the table under the heading "Actual" provides information about actual account values and actual expenses. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.60), then multiply the result by the number in the appropriate row for your share class, in the column titled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The information in the table under the heading "Hypothetical (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other portfolios. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other portfolios.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the information under the heading "Hypothetical (5% return before expenses)" is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different portfolios. In addition, if these transactional costs were included, your costs would have been higher.

Expense ratios may vary period to period because of various factors, such as an increase in expenses that are not covered by the investment advisory fees and supervisory and administrative fees, such as fees and expenses of the independent trustees and their counsel, extraordinary expenses and interest expense.

|                      | Actual                                   |                                       |                                 | Hypothetical<br>(5% return before expenses) |                                       |                                 | Net Annualized<br>Expense Ratio** |
|----------------------|--|---------------------------------------|---------------------------------|---|---------------------------------------|---------------------------------|-----------------------------------|
|                      | Beginning<br>Account Value<br>(07/01/20) | Ending<br>Account Value<br>(12/31/20) | Expenses Paid<br>During Period* | Beginning<br>Account Value<br>(07/01/20)    | Ending<br>Account Value<br>(12/31/20) | Expenses Paid<br>During Period* |                                   |
| Institutional Class  | \$ 1,000.00                              | \$ 1,256.30                           | \$ 4.78                         | \$ 1,000.00                                 | \$ 1,021.31                           | \$ 4.29                         | 0.83%                             |
| Class M              | 1,000.00                                 | 1,252.10                              | 7.36                            | 1,000.00                                    | 1,019.01                              | 6.60                            | 1.28                              |
| Administrative Class | 1,000.00                                 | 1,254.30                              | 5.64                            | 1,000.00                                    | 1,020.54                              | 5.06                            | 0.98                              |
| Advisor Class        | 1,000.00                                 | 1,252.10                              | 6.21                            | 1,000.00                                    | 1,020.03                              | 5.57                            | 1.08                              |

\* Expenses Paid During Period are equal to the net annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 187/366 (to reflect the one-half year period). Overall fees and expenses of investing in the Portfolio will be higher because the example does not reflect variable contract fees and expenses.

\*\* Net Annualized Expense Ratio is reflective of any applicable contractual fee waivers and/or expense reimbursements or voluntary fee waivers. Details regarding fee waivers, if any, can be found in Note 9, Fees and Expenses, in the Notes to Financial Statements.

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# Financial Highlights PIMCO CommodityRealReturn® Strategy Portfolio (Consolidated)

|   | Investment Operations                            |   |                                     |         | Less Distributions <sup>(c)</sup> |                                |           |
|---|--|---|-------------------------------------|---------|-----------------------------------|--------------------------------|-----------|
|   | Net Asset Value Beginning of Year <sup>(a)</sup> | Net Investment Income (Loss) <sup>(b)</sup> | Net Realized/Unrealized Gain (Loss) | Total   | From Net Investment Income        | From Net Realized Capital Gain | Total     |
| Selected Per Share Data for the Year Ended <sup>^</sup> : |  |   |                                     |         |                                   |                                |           |
| <b>Institutional Class</b>                                |  |   |                                     |         |                                   |                                |           |
| 12/31/2020  | \$ 6.39  | \$ 0.07                                     | \$ (0.07)                           | \$ 0.00 | \$ (0.36)                         | \$ 0.00                        | \$ (0.36) |
| 12/31/2019  | 6.00   | 0.10  | 0.59                                | 0.69    | (0.30)                            | 0.00                           | (0.30)    |
| 12/31/2018  | 7.14   | 0.16  | (1.14)                              | (0.98)  | (0.16)                            | 0.00                           | (0.16)    |
| 12/31/2017  | 7.84   | 0.14  | (0.01)                              | 0.13    | (0.83)                            | 0.00                           | (0.83)    |
| 12/31/2016  | 6.89   | 0.13  | 0.91                                | 1.04    | (0.09)                            | 0.00                           | (0.09)    |
| <b>Class M</b>  |  |   |                                     |         |                                   |                                |           |
| 12/31/2020  | 6.37   | 0.04  | (0.06)                              | (0.02)  | (0.34)                            | 0.00                           | (0.34)    |
| 12/31/2019  | 5.99   | 0.08  | 0.57                                | 0.65    | (0.27)                            | 0.00                           | (0.27)    |
| 12/31/2018  | 7.12   | 0.13  | (1.13)                              | (1.00)  | (0.13)                            | 0.00                           | (0.13)    |
| 12/31/2017  | 7.83   | 0.11  | (0.01)                              | 0.10    | (0.81)                            | 0.00                           | (0.81)    |
| 12/31/2016  | 6.89   | 0.24  | 0.76                                | 1.00    | (0.06)                            | 0.00                           | (0.06)    |
| <b>Administrative Class</b>                               |  |   |                                     |         |                                   |                                |           |
| 12/31/2020  | 6.41   | 0.05  | (0.06)                              | (0.01)  | (0.35)                            | 0.00                           | (0.35)    |
| 12/31/2019  | 6.02   | 0.10  | 0.58                                | 0.68    | (0.29)                            | 0.00                           | (0.29)    |
| 12/31/2018  | 7.16   | 0.15  | (1.14)                              | (0.99)  | (0.15)                            | 0.00                           | (0.15)    |
| 12/31/2017  | 7.87   | 0.13  | (0.01)                              | 0.12    | (0.83)                            | 0.00                           | (0.83)    |
| 12/31/2016  | 6.91   | 0.12  | 0.92                                | 1.04    | (0.08)                            | 0.00                           | (0.08)    |
| <b>Advisor Class</b>                                      |  |   |                                     |         |                                   |                                |           |
| 12/31/2020  | 6.49   | 0.05  | (0.06)                              | (0.01)  | (0.35)                            | 0.00                           | (0.35)    |
| 12/31/2019  | 6.09   | 0.09  | 0.59                                | 0.68    | (0.28)                            | 0.00                           | (0.28)    |
| 12/31/2018  | 7.24   | 0.15  | (1.16)                              | (1.01)  | (0.14)                            | 0.00                           | (0.14)    |
| 12/31/2017  | 7.95   | 0.12  | (0.02)                              | 0.10    | (0.81)                            | 0.00                           | (0.81)    |
| 12/31/2016  | 6.99   | 0.14  | 0.90                                | 1.04    | (0.08)                            | 0.00                           | (0.08)    |

<sup>^</sup> A zero balance may reflect actual amounts rounding to less than \$0.01 or 0.01%.

<sup>(a)</sup> Includes adjustments required by U.S. GAAP and may differ from net asset values and performance reported elsewhere by the Portfolio.

<sup>(b)</sup> Per share amounts based on average number of shares outstanding during the year.

<sup>(c)</sup> The tax characterization of distributions is determined in accordance with Federal income tax regulations. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

Ratios/Supplemental Data

Ratios to Average Net Assets

| Net Asset Value End of Year <sup>(a)</sup> | Total Return <sup>(a)</sup> | Net Assets End of Year (000s) | Expenses | Expenses Excluding Waivers | Expenses Excluding Interest Expense | Expenses Excluding Interest Expense and Waivers | Net Investment Income (Loss) | Portfolio Turnover Rate |
|--|-----------------------------|-------------------------------|----------|----------------------------|-------------------------------------|---|------------------------------|-------------------------|
| \$ 6.03                                    | 1.50%                       | \$ 2,976                      | 1.09%    | 1.23%                      | 0.74%                               | 0.88%   | 1.28%                        | 250%                    |
| 6.39                                       | 11.63                       | 2,895                         | 2.01     | 2.12                       | 0.74                                | 0.85  | 1.61                         | 223                     |
| 6.00                                       | (14.05)                     | 3,000                         | 1.77     | 1.92                       | 0.74                                | 0.89  | 2.32                         | 237                     |
| 7.14                                       | 2.40                        | 2,883                         | 1.25     | 1.39                       | 0.74                                | 0.88  | 1.92                         | 157                     |
| 7.84                                       | 15.22                       | 2,813                         | 1.03     | 1.17                       | 0.74                                | 0.88  | 1.82                         | 206                     |
| 6.01                                       | 1.08                        | 384                           | 1.54     | 1.68                       | 1.19                                | 1.33  | 0.69                         | 250                     |
| 6.37                                       | 10.98                       | 490                           | 2.46     | 2.57                       | 1.19                                | 1.30  | 1.26                         | 223                     |
| 5.99                                       | (14.33)                     | 454                           | 2.22     | 2.37                       | 1.19                                | 1.34  | 1.88                         | 237                     |
| 7.12                                       | 1.94                        | 524                           | 1.70     | 1.84                       | 1.19                                | 1.33  | 1.50                         | 157                     |
| 7.83                                       | 14.62                       | 526                           | 1.48     | 1.62                       | 1.19                                | 1.33  | 3.27                         | 206                     |
| 6.05                                       | 1.35                        | 223,298                       | 1.24     | 1.38                       | 0.89                                | 1.03  | 1.02                         | 250                     |
| 6.41                                       | 11.43                       | 222,337                       | 2.16     | 2.27                       | 0.89                                | 1.00  | 1.54                         | 223                     |
| 6.02                                       | (14.13)                     | 217,121                       | 1.92     | 2.07                       | 0.89                                | 1.04  | 2.19                         | 237                     |
| 7.16                                       | 2.15                        | 263,712                       | 1.40     | 1.54                       | 0.89                                | 1.03  | 1.79                         | 157                     |
| 7.87                                       | 15.16                       | 261,084                       | 1.18     | 1.32                       | 0.89                                | 1.03  | 1.62                         | 206                     |
| 6.13                                       | 1.23                        | 111,152                       | 1.34     | 1.48                       | 0.99                                | 1.13  | 0.91                         | 250                     |
| 6.49                                       | 11.35                       | 110,525                       | 2.26     | 2.37                       | 0.99                                | 1.10  | 1.46                         | 223                     |
| 6.09                                       | (14.20)                     | 103,329                       | 2.02     | 2.17                       | 0.99                                | 1.14  | 2.09                         | 237                     |
| 7.24                                       | 2.05                        | 124,551                       | 1.50     | 1.64                       | 0.99                                | 1.13  | 1.69                         | 157                     |
| 7.95                                       | 14.87                       | 127,029                       | 1.28     | 1.42                       | 0.99                                | 1.13  | 1.82                         | 206                     |

# Consolidated Statement of Assets and Liabilities PIMCO CommodityRealReturn<sup>®</sup> Strategy Portfolio

December 31, 2020

(Amounts in thousands<sup>†</sup>, except per share amounts)

|   |                   |
|---|-------------------|
| <b>Assets:</b>  |                   |
| <i>Investments, at value</i>                                  |                   |
| Investments in securities*                                    | \$ 526,893        |
| Investments in Affiliates                                     | 5,925             |
| <i>Financial Derivative Instruments</i>                       |                   |
| Exchange-traded or centrally cleared                          | 208               |
| Over the counter  | 10,802            |
| Cash  | 40                |
| Deposits with counterparty                                    | 4,399             |
| Foreign currency, at value                                    | 757               |
| Receivable for investments sold                               | 54,844            |
| Receivable for investments sold on a delayed-delivery basis   | 68                |
| Receivable for TBA investments sold                           | 84,280            |
| Receivable for Portfolio shares sold                          | 236               |
| Interest and/or dividends receivable                          | 821               |
| Dividends receivable from Affiliates                          | 1                 |
| Reimbursement receivable from PIMCO                           | 57                |
| <b>Total Assets</b>   | <b>689,331</b>    |
| <b>Liabilities:</b>   |                   |
| <i>Borrowings &amp; Other Financing Transactions</i>          |                   |
| Payable for sale-buyback transactions                         | \$ 208,096        |
| <i>Financial Derivative Instruments</i>                       |                   |
| Exchange-traded or centrally cleared                          | 668               |
| Over the counter  | 1,525             |
| Payable for investments purchased                             | 1,489             |
| Payable for investments in Affiliates purchased               | 1                 |
| Payable for investments purchased on a delayed-delivery basis | 5                 |
| Payable for TBA investments purchased                         | 130,799           |
| Deposits from counterparty                                    | 8,404             |
| Payable for Portfolio shares redeemed                         | 196               |
| Accrued investment advisory fees                              | 190               |
| Accrued supervisory and administrative fees                   | 93                |
| Accrued distribution fees                                     | 25                |
| Accrued servicing fees  | 30                |
| <b>Total Liabilities</b>                                      | <b>351,521</b>    |
| <b>Net Assets</b>   | <b>\$ 337,810</b> |
| <b>Net Assets Consist of:</b>                                 |                   |
| Paid in capital   | \$ 362,562        |
| Distributable earnings (accumulated loss)                     | (24,752)          |
| <b>Net Assets</b>   | <b>\$ 337,810</b> |
| <b>Net Assets:</b>  |                   |
| Institutional Class   | \$ 2,976          |
| Class M   | 384               |
| Administrative Class  | 223,298           |
| Advisor Class   | 111,152           |
| <b>Shares Issued and Outstanding:</b>                         |                   |
| Institutional Class   | 494               |
| Class M   | 64                |
| Administrative Class  | 36,910            |
| Advisor Class   | 18,129            |
| <b>Net Asset Value Per Share Outstanding<sup>(a)</sup>:</b>   |                   |
| Institutional Class   | \$ 6.03           |
| Class M   | 6.01              |
| Administrative Class  | 6.05              |
| Advisor Class   | 6.13              |
| Cost of investments in securities                             | \$ 509,079        |
| Cost of investments in Affiliates                             | \$ 5,924          |
| Cost of foreign currency held                                 | \$ 823            |
| Cost or premiums of financial derivative instruments, net     | \$ (2,231)        |
| * Includes repurchase agreements of:                          | \$ 86,476         |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

<sup>(a)</sup> Includes adjustments required by U.S. GAAP and may differ from net asset values and performance reported elsewhere by the Portfolio.

# Consolidated Statement of Operations PIMCO CommodityRealReturn<sup>®</sup> Strategy Portfolio

Year Ended December 31, 2020  
(Amounts in thousands<sup>†</sup>)

|  |                 |
|--|-----------------|
| <b>Investment Income:</b>  |                 |
| Interest   | \$ 6,789        |
| Dividends from Investments in Affiliates                               | 11              |
| Total Income   | 6,800           |
| <b>Expenses:</b>   |                 |
| Investment advisory fees   | 1,773           |
| Supervisory and administrative fees                                    | 874             |
| Distribution and/or servicing fees - Class M                           | 2               |
| Servicing fees - Administrative Class                                  | 299             |
| Distribution and/or servicing fees - Advisor Class                     | 244             |
| Trustee fees   | 8               |
| Interest expense   | 1,061           |
| Miscellaneous expense  | 1               |
| Total Expenses   | 4,262           |
| Waiver and/or Reimbursement by PIMCO                                   | (425)           |
| Net Expenses   | 3,837           |
| <b>Net Investment Income (Loss)</b>                                    | <b>2,963</b>    |
| <b>Net Realized Gain (Loss):</b>                                       |                 |
| Investments in securities  | 4,950           |
| Investments in Affiliates  | (1)             |
| Exchange-traded or centrally cleared financial derivative instruments  | (4,161)         |
| Over the counter financial derivative instruments                      | (21,326)        |
| Short sales  | 27              |
| Foreign currency   | 323             |
| <b>Net Realized Gain (Loss)</b>  | <b>(20,188)</b> |
| <b>Net Change in Unrealized Appreciation (Depreciation):</b>           |                 |
| Investments in securities  | 13,419          |
| Investments in Affiliates  | 0               |
| Exchange-traded or centrally cleared financial derivative instruments  | 2,029           |
| Over the counter financial derivative instruments                      | 7,850           |
| Foreign currency assets and liabilities                                | (65)            |
| <b>Net Change in Unrealized Appreciation (Depreciation)</b>            | <b>23,233</b>   |
| <b>Net Increase (Decrease) in Net Assets Resulting from Operations</b> | <b>\$ 6,008</b> |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

# Consolidated Statements of Changes in Net Assets PIMCO CommodityRealReturn® Strategy Portfolio

(Amounts in thousands<sup>†</sup>)

|  | Year Ended<br>December 31, 2020 | Year Ended<br>December 31, 2019 |
|--|---------------------------------|---------------------------------|
| <b>Increase (Decrease) in Net Assets from:</b>                         |                                 |                                 |
| <b>Operations:</b>   |                                 |                                 |
| Net investment income (loss)   | \$ 2,963                        | \$ 5,053                        |
| Net realized gain (loss)   | (20,188)                        | (1,989)                         |
| Net change in unrealized appreciation (depreciation)                   | 23,233                          | 32,613                          |
| <b>Net Increase (Decrease) in Net Assets Resulting from Operations</b> | <b>6,008</b>                    | <b>35,677</b>                   |
| <b>Distributions to Shareholders:</b>                                  |                                 |                                 |
| From net investment income and/or net realized capital gains           |                                 |                                 |
| Institutional Class  | (165)                           | (141)                           |
| Class M  | (23)                            | (19)                            |
| Administrative Class   | (12,687)                        | (9,891)                         |
| Advisor Class  | (6,025)                         | (4,700)                         |
| <b>Total Distributions<sup>(a)</sup></b>                               | <b>(18,900)</b>                 | <b>(14,751)</b>                 |
| <b>Portfolio Share Transactions:</b>                                   |                                 |                                 |
| Net increase (decrease) resulting from Portfolio share transactions*   | 14,455                          | (8,583)                         |
| <b>Total Increase (Decrease) in Net Assets</b>                         | <b>1,563</b>                    | <b>12,343</b>                   |
| <b>Net Assets:</b>   |                                 |                                 |
| Beginning of year  | 336,247                         | 323,904                         |
| End of year  | \$ 337,810                      | \$ 336,247                      |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

\* See Note 13, Shares of Beneficial Interest, in the Notes to Financial Statements.

<sup>(a)</sup> The tax characterization of distributions is determined in accordance with Federal income tax regulations. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.



# Consolidated Statement of Cash Flows PIMCO CommodityRealReturn® Strategy Portfolio

(Amounts in thousands<sup>1</sup>)

Year ended  
December 31, 2020

## Cash Flows Provided by (Used for) Operating Activities:

Net increase (decrease) in net assets resulting from operations

\$ 6,008

## Adjustments to Reconcile Net Increase (Decrease) in Net Assets from Operations to Net Cash Provided by (Used for) Operating Activities:

|   |             |
|---|-------------|
| Purchases of long-term securities   | (1,068,393) |
| Proceeds from sales of long-term securities   | 1,100,461   |
| (Purchases) Proceeds from sales of short-term portfolio investments, net                          | (5,538)     |
| (Increase) decrease in deposits with counterparty   | (1,947)     |
| (Increase) decrease in receivable for investments sold  | (48,910)    |
| (Increase) decrease in interest and/or dividends receivable                                       | 342         |
| (Increase) decrease in dividends receivable from Affiliates                                       | 2           |
| (Increase) decrease in reimbursement receivable from PIMCO  | (26)        |
| Proceeds from (Payments on) exchange-traded or centrally cleared financial derivative instruments | (1,461)     |
| Proceeds from (Payments on) over the counter financial derivative instruments                     | (21,598)    |
| Increase (decrease) in payable for investments purchased  | (10,023)    |
| Increase (decrease) in deposits from counterparty   | 3,315       |
| Increase (decrease) in accrued investment advisory fees   | 31          |
| Increase (decrease) in accrued supervisory and administrative fees                                | 14          |
| Increase (decrease) in accrued distribution fees  | 2           |
| Increase (decrease) in accrued servicing fees   | 2           |
| Proceeds from (Payments on) short sales transactions, net   | 27          |
| Proceeds from (Payments on) foreign currency transactions   | 258         |
| <i>Net Realized (Gain) Loss</i>   |             |
| Investments in securities   | (4,950)     |
| Investments in Affiliates   | 1           |
| Exchange-traded or centrally cleared financial derivative instruments                             | 4,161       |
| Over the counter financial derivative instruments   | 21,326      |
| Short sales   | (27)        |
| Foreign currency  | (323)       |
| <i>Net Change in Unrealized (Appreciation) Depreciation</i>                                       |             |
| Investments in securities   | (13,419)    |
| Exchange-traded or centrally cleared financial derivative instruments                             | (2,029)     |
| Over the counter financial derivative instruments   | (7,850)     |
| Foreign currency assets and liabilities   | 65          |
| Net amortization (accretion) on investments   | 537         |

## Net Cash Provided by (Used for) Operating Activities

(49,942)

## Cash Flows Received from (Used for) Financing Activities:

|   |             |
|---|-------------|
| Proceeds from shares sold                   | 63,910      |
| Payments on shares redeemed                 | (68,351)    |
| Cash distributions paid*                    | 0           |
| Proceeds from reverse repurchase agreements | 15,474      |
| Payments on reverse repurchase agreements   | (15,474)    |
| Proceeds from sale-buyback transactions     | 2,100,244   |
| Payments on sale-buyback transactions       | (2,045,656) |

## Net Cash Received from (Used for) Financing Activities

50,147

## Net Increase (Decrease) in Cash and Foreign Currency

205

## Cash and Foreign Currency:

|                   |        |
|-------------------|--------|
| Beginning of year | 592    |
| End of year       | \$ 797 |

\* Reinvestment of distributions \$ 18,900

## Supplemental Disclosure of Cash Flow Information:

Interest expense paid during the year \$ 628

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

A Statement of Cash Flows is presented when the Portfolio has a significant amount of borrowing during the year, based on the average total borrowing outstanding in relation to total assets or when substantially all of the Portfolio's investments are not classified as Level 1 or 2 in the fair value hierarchy.

# Consolidated Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio

(Amounts in thousands\*, except number of shares, contracts, units and ounces, if any)

|  | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |   | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |  | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|--|-------------------------|---------------------|---|-------------------------|---------------------|--|-------------------------|---------------------|
| <b>INVESTMENTS IN SECURITIES 155.9%</b>  |                         |                     | <b>U.S. GOVERNMENT AGENCIES 14.5%</b>   |                         |                     | <b>NON-AGENCY MORTGAGE-BACKED SECURITIES 2.9%</b>  |                         |                     |
| <b>CORPORATE BONDS &amp; NOTES 6.1%</b>  |                         |                     |   |                         |                     |  |                         |                     |
| <b>BANKING &amp; FINANCE 3.3%</b>  |                         |                     |   |                         |                     |  |                         |                     |
| <b>Ally Financial, Inc.</b><br>4.250% due 04/15/2021 \$ 50 \$ 51   |                         |                     | <b>Fannie Mae</b><br>0.498% due 05/25/2042 • \$ 3 \$ 3<br>1.944% due 10/01/2044 • 2 2<br>2.279% due 01/01/2036 • 21 21<br>2.280% due 11/01/2035 • 3 3<br>2.479% due 07/01/2035 • 9 9<br>2.742% due 05/25/2035 ~ 13 14<br>2.880% due 11/01/2034 • 10 11  |                         |                     | <b>Alliance Bancorp Trust</b><br>0.388% due 07/25/2037 • \$ 186 \$ 168<br><b>Banc of America Mortgage Trust</b><br>2.623% due 11/25/2035 ~ 11 11<br>3.227% due 06/25/2035 ~ 27 25<br><b>Bear Stearns Adjustable Rate Mortgage Trust</b><br>2.878% due 01/25/2035 ~ 107 111<br>3.328% due 03/25/2035 ~ 39 39<br>3.447% due 07/25/2036 ~ 30 29<br><b>Citigroup Mortgage Loan Trust</b><br>3.258% due 04/25/2066 ~ 87 89<br>3.361% due 09/25/2037 ~ 177 172<br><b>Countrywide Alternative Loan Trust</b><br>0.347% due 12/20/2046 ^ 818 694<br>0.388% due 06/25/2036 • 516 500<br>5.000% due 07/25/2035 68 55<br>6.000% due 02/25/2037 ^ 144 93<br><b>Countrywide Home Loan Mortgage Pass-Through Trust</b><br>2.939% due 10/20/2035 ~ 1,307 1,312<br>3.090% due 08/25/2034 ~ 7 6<br><b>Credit Suisse Mortgage Capital Certificates</b><br>0.298% due 09/29/2036 • 545 532<br>3.869% due 10/26/2036 ~ 50 49<br><b>Eurosail PLC</b><br>0.991% due 06/13/2045 • GBP 252 342<br><b>First Horizon Alternative Mortgage Securities Trust</b><br>2.226% due 06/25/2034 ~ \$ 6 6<br>6.000% due 02/25/2037 ^ 47 32<br><b>GreenPoint Mortgage Funding Trust</b><br>0.328% due 09/25/2046 • 113 106<br>0.688% due 11/25/2045 • 7 6<br><b>GSR Mortgage Loan Trust</b><br>2.636% due 01/25/2035 ~ 13 13<br><b>HarborView Mortgage Loan Trust</b><br>0.630% due 03/19/2036 ^ 26 25<br><b>Hawksmoor Mortgages</b><br>1.104% due 05/25/2053 • GBP 1,184 1,621<br><b>HomeBanc Mortgage Trust</b><br>0.808% due 10/25/2035 • \$ 23 23<br><b>IndyMac Mortgage Loan Trust</b><br>3.250% due 11/25/2035 ~ 12 12<br><b>JPMorgan Mortgage Trust</b><br>3.011% due 08/25/2035 ~ 23 23<br>3.260% due 07/25/2035 ~ 17 18<br>3.344% due 02/25/2035 ~ 30 29<br><b>Lehman XS Trust</b><br>1.298% due 12/25/2037 • 667 671<br><b>MASTR Adjustable Rate Mortgages Trust</b><br>3.176% due 11/21/2034 ~ 11 11<br><b>Mellon Residential Funding Corp. Mortgage Pass-Through Certificates</b><br>0.899% due 09/15/2030 • 77 77<br><b>New Residential Mortgage Loan Trust</b><br>2.750% due 07/25/2059 ~ 1,109 1,167<br><b>Residential Accredit Loans, Inc. Trust</b><br>1.641% due 10/25/2037 ~ 33 31<br>1.969% due 09/25/2045 • 81 77<br><b>Residential Asset Securitization Trust</b><br>0.548% due 05/25/2035 • 69 50<br><b>Sequoia Mortgage Trust</b><br>0.552% due 07/20/2036 • 112 109<br><b>Structured Adjustable Rate Mortgage Loan Trust</b><br>2.009% due 01/25/2035 ^ 8 7<br>3.080% due 02/25/2034 ~ 7 7<br><b>Structured Asset Mortgage Investments Trust</b><br>0.568% due 04/25/2036 • 6 6<br>0.812% due 10/19/2034 • 9 9<br><b>Towd Point Mortgage Funding PLC</b><br>1.073% due 10/20/2051 • GBP 1,018 1,397<br><b>WaMu Mortgage Pass-Through Certificates Trust</b><br>1.379% due 05/25/2047 • \$ 138 126<br>2.367% due 08/25/2035 ~ 3 2<br>3.117% due 12/25/2035 ~ 77 77 |                         |                     |
| <b>Cooperative Rabobank UA</b><br>6.625% due 06/29/2021 •(f)(g) EUR 200 251<br><b>Credit Suisse Group Funding Guernsey Ltd.</b><br>3.800% due 09/15/2022 \$ 1,100 1,162<br><b>Deutsche Bank AG</b><br>4.250% due 10/14/2021 1,600 1,641<br><b>Ford Motor Credit Co. LLC</b><br>0.000% due 12/01/2021 • EUR 900 1,090<br>3.200% due 01/15/2021 \$ 2,100 2,105<br><b>ING Bank NV</b><br>2.625% due 12/05/2022 500 522<br><b>Lloyds Banking Group PLC</b><br>1.039% (US0003M + 0.800%) due 06/21/2021 ~ 500 502<br><b>Mitsubishi UFJ Financial Group, Inc.</b><br>2.105% (US0003M + 1.880%) due 03/01/2021 ~ 247 248<br><b>Mitsubishi UFJ Lease &amp; Finance Co. Ltd.</b><br>2.250% due 09/07/2021 800 809<br><b>Natwest Group PLC</b><br>1.801% (US0003M + 1.550%) due 06/25/2024 ~ 400 407<br>4.519% due 06/25/2024 • 300 328<br><b>UniCredit SpA</b><br>7.830% due 12/04/2023 1,650 1,959<br>11,075 |                         |                     | <b>Freddie Mac</b><br>0.278% due 08/25/2031 • 1 1<br>0.499% due 07/15/2044 • 344 345<br>0.609% due 09/15/2042 • 647 654<br>1.944% due 02/25/2045 • 35 36<br>2.139% due 09/01/2036 • 42 43<br>2.229% due 10/01/2036 • 38 38<br>2.270% due 07/01/2036 • 76 79<br>2.713% due 01/01/2034 • 2 2<br><b>Ginnie Mae</b><br>0.599% due 08/20/2068 • 535 531<br>1.904% due 04/20/2067 • 396 404<br><b>Ginnie Mae, TBA</b><br>2.500% due 03/01/2051 5,300 5,589<br><b>Small Business Administration</b><br>5.510% due 11/01/2027 79 87<br><b>Uniform Mortgage-Backed Security, TBA</b><br>2.000% due 03/01/2051 10,400 10,766<br>2.500% due 03/01/2051 3,900 4,098<br>3.000% due 02/01/2051 4,300 4,509<br>3.500% due 01/01/2051 - 02/01/2051 4,762 5,040<br>4.000% due 02/01/2051 15,728 16,820<br><b>Total U.S. Government Agencies (Cost \$48,999)</b> 49,105 |                         |                     | <b>U.S. Treasury Bonds</b><br>1.625% due 11/15/2050 (i)(m) 5,880 5,846<br>3.000% due 05/15/2045 80 104<br><b>U.S. Treasury Inflation Protected Securities (e)</b><br>0.125% due 04/15/2021 (i) 42,879 43,027<br>0.125% due 01/15/2022 3,394 3,455<br>0.125% due 04/15/2022 (i) 36,124 36,884<br>0.125% due 07/15/2022 (i) 8,941 9,219<br>0.125% due 01/15/2023 (i) 20,362 21,155<br>0.125% due 10/15/2024 3,552 3,809<br>0.125% due 04/15/2025 2,520 2,712<br>0.125% due 07/15/2026 6,757 7,433<br>0.125% due 01/15/2030 (i) 8,865 9,895<br>0.125% due 07/15/2030 (i) 9,891 11,101<br>0.250% due 07/15/2029 1,069 1,210<br>0.375% due 07/15/2023 7,483 7,928<br>0.375% due 07/15/2025 15,345 16,858<br>0.375% due 01/15/2027 3,622 4,043<br>0.375% due 07/15/2027 (m) 298 335<br>0.500% due 04/15/2024 (i) 18,335 19,657<br>0.500% due 01/15/2028 4,884 5,540<br>0.625% due 07/15/2021 2,324 2,355<br>0.625% due 04/15/2023 2,128 2,241<br>0.625% due 01/15/2024 (k) 4,379 4,700<br>0.625% due 01/15/2026 (i) 20,678 23,087<br>0.625% due 02/15/2043 (m) 170 212<br>0.750% due 07/15/2028 4,025 4,683<br>0.875% due 01/15/2029 (i) 17,396 20,453<br>1.125% due 01/15/2021 5,118 5,119<br>1.375% due 02/15/2044 112 161<br>1.750% due 01/15/2028 6,057 7,432<br>2.000% due 01/15/2026 876 1,042<br>2.125% due 02/15/2040 277 429<br>2.125% due 02/15/2041 1,760 2,762<br>2.375% due 01/15/2025 7,155 8,363<br>2.500% due 01/15/2029 1,989 2,614<br>3.875% due 04/15/2029 716 1,032<br><b>Total U.S. Treasury Obligations (Cost \$283,262)</b> 296,896   |                         |                     |
| <b>INDUSTRIALS 2.2%</b>  |                         |                     | <b>U.S. TREASURY OBLIGATIONS 87.9%</b>  |                         |                     |  |                         |                     |
| <b>Bayer U.S. Finance LLC</b><br>0.881% (US0003M + 0.630%) due 06/25/2021 ~ 2,100 2,104<br><b>CRH America, Inc.</b><br>5.750% due 01/15/2021 200 200<br><b>Daimler Finance North America LLC</b><br>2.300% due 02/12/2021 150 150<br><b>ERAC USA Finance LLC</b><br>2.600% due 12/01/2021 200 204<br><b>Fresenius Medical Care U.S. Finance, Inc.</b><br>5.750% due 02/15/2021 1,000 1,006<br><b>Keurig Dr Pepper, Inc.</b><br>3.551% due 05/25/2021 2,800 2,835<br>4.057% due 05/25/2023 100 109<br><b>Mondelez International Holdings Netherlands BV</b><br>2.000% due 10/28/2021 500 506<br><b>Volkswagen Group of America Finance LLC</b><br>4.000% due 11/12/2021 200 206<br><b>YPF S.A.</b><br>38.259% (BADLARPP + 6.000%) due 03/04/2021 ~ ARS 2,670 18<br>7,338  |                         |                     |   |                         |                     |  |                         |                     |
| <b>UTILITIES 0.6%</b>  |                         |                     |   |                         |                     |  |                         |                     |
| <b>Duke Energy Corp.</b><br>0.721% (US0003M + 0.500%) due 05/14/2021 ~ \$ 1,000 1,001<br><b>Petrobras Global Finance BV</b><br>5.093% due 01/15/2030 679 760<br>6.625% due 01/16/2034 GBP 100 168<br><b>Sempra Energy</b><br>0.667% (US0003M + 0.450%) due 03/15/2021 ~ \$ 300 300<br>2,229<br><b>Total Corporate Bonds &amp; Notes (Cost \$19,929)</b> 20,642   |                         |                     |   |                         |                     |  |                         |                     |

|   | PRINCIPAL<br>AMOUNT<br>('000) | MARKET<br>VALUE<br>('000) |
|---|-------------------------------|---------------------------|
| <b>Washington Mutual Mortgage Pass-Through Certificates Trust</b> |                               |                           |
| 6.500% due 08/25/2035   | \$ 13                         | \$ 13                     |
| <b>Total Non-Agency Mortgage-Backed Securities (Cost \$9,460)</b> |                               | <b>9,978</b>              |
| <b>ASSET-BACKED SECURITIES 6.8%</b>                               |                               |                           |
| <b>Argent Mortgage Loan Trust</b>                                 |                               |                           |
| 0.628% due 05/25/2035   | 82                            | 76                        |
| <b>Argent Securities Trust</b>                                    |                               |                           |
| 0.298% due 07/25/2036   | 329                           | 291                       |
| 0.468% due 05/25/2036   | 631                           | 242                       |
| <b>Atrium Corp.</b>   |                               |                           |
| 1.046% due 04/22/2027   | 382                           | 381                       |
| <b>Black Diamond CLO Designated Activity Co.</b>                  |                               |                           |
| 0.650% due 10/03/2029   | EUR 273                       | 334                       |
| <b>Brookside Mill CLO Ltd.</b>                                    |                               |                           |
| 1.038% due 01/17/2028   | \$ 1,730                      | 1,720                     |
| <b>Catamaran CLO Ltd.</b>   |                               |                           |
| 1.067% due 01/27/2028   | 477                           | 474                       |
| <b>CIT Mortgage Loan Trust</b>                                    |                               |                           |
| 1.498% due 10/25/2037   | 412                           | 415                       |
| 1.648% due 10/25/2037   | 600                           | 599                       |
| <b>Citigroup Mortgage Loan Trust</b>                              |                               |                           |
| 0.378% due 12/25/2036   | 43                            | 37                        |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                        |                               |                           |
| 0.643% due 10/25/2036   | 400                           | 386                       |
| <b>CoreVest American Finance Trust</b>                            |                               |                           |
| 2.968% due 10/15/2049   | 103                           | 105                       |
| <b>Countrywide Asset-Backed Certificates</b>                      |                               |                           |
| 0.338% due 11/25/2037   | 742                           | 702                       |
| 0.398% due 03/25/2037   | 200                           | 188                       |
| 1.348% due 10/25/2035   | 29                            | 28                        |
| <b>Countrywide Asset-Backed Certificates Trust</b>                |                               |                           |
| 0.888% due 08/25/2047   | 165                           | 162                       |
| <b>Credit-Based Asset Servicing &amp; Securitization LLC</b>      |                               |                           |
| 0.268% due 07/25/2037   | 11                            | 9                         |
| 0.368% due 07/25/2037   | 48                            | 38                        |
| <b>Ellington Loan Acquisition Trust</b>                           |                               |                           |
| 1.248% due 05/25/2037   | 28                            | 28                        |
| <b>Fremont Home Loan Trust</b>                                    |                               |                           |
| 0.283% due 10/25/2036   | 121                           | 110                       |
| <b>GSAA Home Equity Trust</b>                                     |                               |                           |
| 6.220% due 03/25/2046   | 55                            | 42                        |
| <b>GSAMP Trust</b>  |                               |                           |
| 0.218% due 12/25/2036   | 52                            | 32                        |
| 1.123% due 03/25/2035   | 102                           | 95                        |
| <b>Halcyon Loan Advisors Funding Ltd.</b>                         |                               |                           |
| 1.138% due 04/20/2027   | 105                           | 104                       |
| <b>Home Equity Asset Trust</b>                                    |                               |                           |
| 0.598% due 02/25/2036   | 400                           | 385                       |
| <b>IndyMac Mortgage Loan Trust</b>                                |                               |                           |
| 0.218% due 07/25/2036   | 261                           | 104                       |
| <b>Jamestown CLO Ltd.</b>   |                               |                           |
| 0.927% due 07/15/2026   | 37                            | 37                        |
| 1.045% due 07/25/2027   | 131                           | 130                       |
| 1.438% due 01/17/2027   | 330                           | 330                       |
| <b>JPMorgan Mortgage Acquisition Trust</b>                        |                               |                           |
| 0.358% due 10/25/2036   | 73                            | 71                        |
| <b>Jubilee CLO BV</b>   |                               |                           |
| 0.257% due 12/15/2029   | EUR 1,950                     | 2,371                     |
| <b>Lehman XS Trust</b>  |                               |                           |
| 0.468% due 05/25/2036   | \$ 114                        | 120                       |
| 4.480% due 06/25/2036   | 153                           | 158                       |
| <b>LoanCore Issuer Ltd.</b>                                       |                               |                           |
| 1.289% due 05/15/2036   | 500                           | 498                       |
| <b>Long Beach Mortgage Loan Trust</b>                             |                               |                           |
| 0.268% due 08/25/2036   | 584                           | 316                       |
| <b>Man GLG Euro CLO DAC</b>                                       |                               |                           |
| 0.870% due 01/15/2030   | EUR 250                       | 304                       |
| <b>Marathon CLO Ltd.</b>  |                               |                           |
| 1.083% due 11/21/2027   | \$ 1,427                      | 1,417                     |
| <b>Marlette Funding Trust</b>                                     |                               |                           |
| 2.690% due 09/17/2029   | 27                            | 28                        |

|  | PRINCIPAL<br>AMOUNT<br>('000) | MARKET<br>VALUE<br>('000) |
|--|-------------------------------|---------------------------|
| <b>MASTR Asset-Backed Securities Trust</b>                   |                               |                           |
| 0.298% due 10/25/2036  | \$ 191                        | \$ 85                     |
| <b>Morgan Stanley Mortgage Loan Trust</b>                    |                               |                           |
| 5.910% due 11/25/2036  | 744                           | 272                       |
| 6.000% due 02/25/2037  | 71                            | 56                        |
| <b>Mountain View CLO Ltd.</b>                                |                               |                           |
| 1.320% due 10/16/2029  | 800                           | 796                       |
| <b>New Century Home Equity Loan Trust</b>                    |                               |                           |
| 0.913% due 02/25/2035  | 106                           | 104                       |
| <b>OCP CLO Ltd.</b>  |                               |                           |
| 1.035% due 10/26/2027  | 596                           | 595                       |
| 1.037% due 07/15/2027  | 117                           | 117                       |
| <b>Palmer Square European Loan Funding DAC</b>               |                               |                           |
| 0.870% due 02/15/2030  | EUR 700                       | 855                       |
| <b>Renaissance Home Equity Loan Trust</b>                    |                               |                           |
| 1.248% due 09/25/2037  | \$ 1,009                      | 509                       |
| <b>Residential Asset Securities Corp. Trust</b>              |                               |                           |
| 0.608% due 06/25/2036  | 295                           | 288                       |
| 0.643% due 04/25/2036  | 200                           | 195                       |
| <b>Saxon Asset Securities Trust</b>                          |                               |                           |
| 0.458% due 09/25/2037  | 180                           | 175                       |
| <b>Securitized Asset-Backed Receivables LLC Trust</b>        |                               |                           |
| 0.298% due 07/25/2036  | 334                           | 194                       |
| 0.468% due 07/25/2036  | 154                           | 77                        |
| 0.648% due 05/25/2036  | 567                           | 397                       |
| <b>SLM Student Loan Trust</b>                                |                               |                           |
| 0.000% due 01/25/2024  | EUR 18                        | 21                        |
| 0.000% due 06/17/2024  | 16                            | 19                        |
| 0.765% due 10/25/2064  | \$ 455                        | 450                       |
| 1.715% due 04/25/2023  | 681                           | 682                       |
| <b>Sound Point CLO Ltd.</b>                                  |                               |                           |
| 1.359% due 01/23/2029  | 300                           | 300                       |
| <b>Soundview Home Loan Trust</b>                             |                               |                           |
| 0.348% due 06/25/2037  | 741                           | 608                       |
| <b>Structured Asset Securities Corp. Mortgage Loan Trust</b> |                               |                           |
| 1.655% due 04/25/2035  | 123                           | 122                       |
| <b>Symphony CLO Ltd.</b>                                     |                               |                           |
| 1.179% due 07/14/2026  | 185                           | 185                       |
| <b>THL Credit Wind River CLO Ltd.</b>                        |                               |                           |
| 1.117% due 01/15/2026  | 21                            | 21                        |
| <b>Venture CLO Ltd.</b>                                      |                               |                           |
| 1.057% due 04/15/2027  | 548                           | 546                       |
| 1.117% due 07/15/2027  | 292                           | 291                       |
| 1.256% due 04/20/2029  | 800                           | 800                       |
| 1.366% due 10/22/2031  | 500                           | 501                       |
| <b>Voya CLO Ltd.</b>   |                               |                           |
| 0.935% due 07/25/2026  | 117                           | 117                       |
| <b>Wind River CLO Ltd.</b>                                   |                               |                           |
| 1.107% due 10/15/2027  | 287                           | 286                       |
| <b>Z Capital Credit Partners CLO Ltd.</b>                    |                               |                           |
| 1.180% due 07/16/2027  | 482                           | 480                       |
| <b>Total Asset-Backed Securities (Cost \$23,025)</b>         |                               | <b>23,011</b>             |
| <b>SOVEREIGN ISSUES 11.3%</b>                                |                               |                           |
| <b>Argentina Government International Bond</b>               |                               |                           |
| 0.125% due 07/09/2030  | 228                           | 91                        |
| 0.125% due 07/09/2035  | 150                           | 54                        |
| 34.109% (BADLARPP) due 10/04/2022 ~                          | ARS 100                       | 1                         |
| 36.174% (BADLARPP + 2.000%) due 04/03/2022 ~                 | 3,393                         | 23                        |
| <b>Australia Government International Bond</b>               |                               |                           |
| 1.250% due 02/21/2022 (e)                                    | AUD 1,831                     | 1,455                     |
| 3.000% due 09/20/2025 (e)                                    | 2,096                         | 1,954                     |
| <b>Autonomous City of Buenos Aires Argentina</b>             |                               |                           |
| 37.981% (BADLARPP + 5.000%) due 01/23/2022 ~                 | ARS 1,850                     | 12                        |
| <b>Canada Government Real Return Bond</b>                    |                               |                           |
| 4.250% due 12/01/2026 (e)                                    | CAD 939                       | 976                       |
| <b>France Government International Bond</b>                  |                               |                           |
| 0.100% due 03/01/2026 (e)                                    | EUR 2,291                     | 3,022                     |
| 0.250% due 07/25/2024 (e)                                    | 743                           | 968                       |
| 2.100% due 07/25/2023 (e)                                    | 2,507                         | 3,320                     |
| <b>Italy Buoni Poliennali Del Tesoro</b>                     |                               |                           |
| 1.400% due 05/26/2025 (e)                                    | 7,300                         | 9,443                     |

|   | PRINCIPAL<br>AMOUNT<br>('000) | MARKET<br>VALUE<br>('000) |
|---|-------------------------------|---------------------------|
| <b>Japan Government International Bond</b>  |                               |                           |
| 0.100% due 03/10/2028 (e)   | JPY 208,234                   | \$ 2,023                  |
| 0.100% due 03/10/2029 (e)   | 262,740                       | 2,557                     |
| <b>Mexico Government International Bond</b>   |                               |                           |
| 7.750% due 05/29/2031   | MXN 7,972                     | 471                       |
| <b>New Zealand Government International Bond</b>                                      |                               |                           |
| 2.000% due 09/20/2025 (e)   | NZD 2,794                     | 2,254                     |
| <b>Peru Government International Bond</b>   |                               |                           |
| 5.940% due 02/12/2029   | PEN 1,000                     | 345                       |
| <b>Provincia de Buenos Aires</b>  |                               |                           |
| 34.187% due 05/31/2022  | ARS 210                       | 1                         |
| 36.050% due 04/12/2025  | 980                           | 5                         |
| <b>Qatar Government International Bond</b>  |                               |                           |
| 3.875% due 04/23/2023   | \$ 400                        | 430                       |
| <b>Saudi Government International Bond</b>  |                               |                           |
| 4.000% due 04/17/2025   | 260                           | 291                       |
| <b>United Kingdom Gilt</b>  |                               |                           |
| 0.125% due 08/10/2028 (e)   | GBP 2,097                     | 3,624                     |
| 1.250% due 11/22/2027 (e)   | 2,638                         | 4,784                     |
| <b>Total Sovereign Issues (Cost \$35,278)</b>   |                               | <b>38,104</b>             |
| SHARES  |                               |                           |
| <b>PREFERRED SECURITIES 0.1%</b>  |                               |                           |
| <b>BANKING &amp; FINANCE 0.1%</b>   |                               |                           |
| <b>Bank of America Corp.</b>  |                               |                           |
| 5.875% due 03/15/2028   | 230,000                       | 260                       |
| <b>Total Preferred Securities (Cost \$230)</b>  |                               | <b>260</b>                |
| <b>SHORT-TERM INSTRUMENTS 26.3%</b>   |                               |                           |
| <b>REPURCHASE AGREEMENTS (h) 25.6%</b>  |                               |                           |
|   |                               | 86,476                    |
| PRINCIPAL AMOUNT ('000)   |                               |                           |
| <b>ARGENTINA TREASURY BILLS 0.0%</b>  |                               |                           |
| (3.480%) due 09/13/2021 (c)(d)  | ARS 10,943                    | 80                        |
| <b>U.S. TREASURY BILLS 0.7%</b>   |                               |                           |
| 0.089% due 01/07/2021 - 01/14/2021 (b)(c)   | \$ 2,341                      | 2,341                     |
| <b>Total Short-Term Instruments (Cost \$88,896)</b>                                   |                               | <b>88,897</b>             |
| <b>Total Investments in Securities (Cost \$509,079)</b>                               |                               | <b>526,893</b>            |
| SHARES  |                               |                           |
| <b>INVESTMENTS IN AFFILIATES 1.8%</b>   |                               |                           |
| <b>SHORT-TERM INSTRUMENTS 1.8%</b>  |                               |                           |
| <b>CENTRAL FUNDS USED FOR CASH MANAGEMENT PURPOSES 1.8%</b>                           |                               |                           |
| <b>PIMCO Short-Term Floating NAV Portfolio III</b>                                    | 600,828                       | 5,925                     |
| <b>Total Short-Term Instruments (Cost \$5,924)</b>                                    |                               | <b>5,925</b>              |
| <b>Total Investments in Affiliates (Cost \$5,924)</b>                                 |                               | <b>5,925</b>              |
| <b>Total Investments 157.7% (Cost \$515,003)</b>                                      |                               | <b>\$ 532,818</b>         |
| <b>Financial Derivative Instruments (j)(I) 2.6% (Cost or Premiums, net \$(2,231))</b> |                               | <b>8,817</b>              |
| <b>Other Assets and Liabilities, net (60.3%)</b>                                      |                               | <b>(203,825)</b>          |
| <b>Net Assets 100.0%</b>  |                               | <b>\$ 337,810</b>         |

# Consolidated Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio (Cont.)

## NOTES TO CONSOLIDATED SCHEDULE OF INVESTMENTS:

- \* A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- « Security valued using significant unobservable inputs (Level 3).
- ~ Variable or Floating rate security. Rate shown is the rate in effect as of period end. Certain variable rate securities are not based on a published reference rate and spread, rather are determined by the issuer or agent and are based on current market conditions. Reference rate is as of reset date, which may vary by security. These securities may not indicate a reference rate and/or spread in their description.
- Rate shown is the rate in effect as of period end. The rate may be based on a fixed rate, a capped rate or a floor rate and may convert to a variable or floating rate in the future. These securities do not indicate a reference rate and spread in their description.
- þ Coupon represents a rate which changes periodically based on a predetermined schedule or event. Rate shown is the rate in effect as of period end.
  - (a) When-issued security.
  - (b) Coupon represents a weighted average yield to maturity.
  - (c) Zero coupon security.
  - (d) Coupon represents a yield to maturity.
  - (e) Principal amount of security is adjusted for inflation.
  - (f) Perpetual maturity; date shown, if applicable, represents next contractual call date.
  - (g) Contingent convertible security.

## BORROWINGS AND OTHER FINANCING TRANSACTIONS

### (h) REPURCHASE AGREEMENTS:

| Counterparty                       | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By   | Collateral (Received)   | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received <sup>(1)</sup> |
|------------------------------------|--------------|-----------------|---------------|------------------|---|-------------------------|---------------------------------|---|
| BPS                                | 0.090%       | 12/31/2020      | 01/04/2021    | \$ 48,400        | U.S. Treasury Bonds 2.250% due 08/15/2049<br>U.S. Treasury Inflation Protected Securities 0.125% due 07/15/2024 | \$ (24,730)<br>(24,740) | \$ 48,400                       | \$ 48,401   |
| SAL                                | 0.080        | 12/31/2020      | 01/04/2021    | 24,200           | U.S. Treasury Bonds 4.625% due 02/15/2040   | (24,960)                | 24,200                          | 24,200  |
| SSB                                | 0.000        | 12/31/2020      | 01/04/2021    | 4,976            | U.S. Treasury Notes 2.000% due 08/31/2021 <sup>(2)</sup>  | (5,075)                 | 4,976                           | 4,976   |
| TDM                                | 0.090        | 12/31/2020      | 01/04/2021    | 8,900            | U.S. Treasury Inflation Protected Securities 1.000% due 02/15/2046  | (9,170)                 | 8,900                           | 8,900   |
| <b>Total Repurchase Agreements</b> |              |                 |               |                  |   | <b>\$ (88,675)</b>      | <b>\$ 86,476</b>                | <b>\$ 86,477</b>  |

### SALE-BUYBACK TRANSACTIONS:

| Counterparty                           | Borrowing Rate <sup>(3)</sup> | Borrowing Date | Maturity Date | Amount Borrowed <sup>(3)</sup> | Payable for Sale-Buyback Transactions <sup>(4)</sup> |
|--|-------------------------------|----------------|---------------|--------------------------------|--|
| BPG                                    | 0.180%                        | 10/22/2020     | 01/21/2021    | \$ (113,258)                   | \$ (113,300)   |
| GSC                                    | 0.080                         | 12/10/2020     | 01/15/2021    | (3,354)                        | (3,354)  |
|  | 0.180                         | 01/04/2021     | 01/05/2021    | (54,797)                       | (54,796)   |
| TDL                                    | 0.180                         | 10/22/2020     | 02/11/2021    | (36,632)                       | (36,646)   |
| <b>Total Sale-Buyback Transactions</b> |                               |                |               |                                | <b>\$ (208,096)</b>                                  |

## BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral pledged/(received) as of December 31, 2020:

| Counterparty   | Repurchase Agreement Proceeds to be Received <sup>(1)</sup> | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions <sup>(4)</sup> | Total Borrowings and Other Financing Transactions | Collateral Pledged/(Received) | Net Exposure <sup>(5)</sup> |
|--|---|---|--|---|-------------------------------|-----------------------------|
| Global Master Repurchase Agreement                       |   |   |  |   |                               |                             |
| BPS  | \$ 48,401   | \$ 0                                      | \$ 0   | \$ 48,401   | \$ (49,470)                   | \$ (1,069)                  |
| SAL  | 24,200  | 0   | 0  | 24,200  | (24,960)                      | (760)                       |
| SSB  | 4,976   | 0   | 0  | 4,976   | (5,075)                       | (99)                        |
| TDM  | 8,900   | 0   | 0  | 8,900   | (9,170)                       | (270)                       |
| Master Securities Forward Transaction Agreement          |   |   |  |   |                               |                             |
| BPG  | 0   | 0   | (113,300)  | (113,300)   | 114,348                       | 1,048                       |
| BPS  | 0   | 0   | 0  | 0   | (920)                         | (920)                       |
| GSC  | 0   | 0   | (58,150)   | (58,150)  | 58,236                        | 86                          |
| TDL  | 0   | 0   | (36,646)   | (36,646)  | 36,884                        | 238                         |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 86,477</b>  | <b>\$ 0</b>                               | <b>\$ (208,096)</b>                                  |   |                               |                             |

**CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS****Remaining Contractual Maturity of the Agreements**

|  | Overnight and Continuous | Up to 30 days       | 31-90 days         | Greater Than 90 days | Total               |
|--|--------------------------|---------------------|--------------------|----------------------|---------------------|
| <b>Sale-Buyback Transactions</b>                       |                          |                     |                    |                      |                     |
| U.S. Treasury Obligations                              | \$ 0                     | \$ (171,450)        | \$ (36,646)        | \$ 0                 | \$ (208,096)        |
| <b>Total Borrowings</b>                                | <b>\$ 0</b>              | <b>\$ (171,450)</b> | <b>\$ (36,646)</b> | <b>\$ 0</b>          | <b>\$ (208,096)</b> |
| <b>Payable for sale-buyback financing transactions</b> |                          |                     |                    |                      | <b>\$ (208,096)</b> |

(i) Securities with an aggregate market value of \$209,468 have been pledged as collateral under the terms of the above master agreements as of December 31, 2020.

(1) Includes accrued interest.

(2) Collateral is held in custody by the counterparty.

(3) The average amount of borrowings outstanding during the period ended December 31, 2020 was \$(148,422) at a weighted average interest rate of 0.686%. Average borrowings may include reverse repurchase agreements and sale-buyback transactions, if held during the period.

(4) Payable for sale-buyback transactions includes \$(17) of deferred price drop.

(5) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

**(j) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****WRITTEN OPTIONS:****COMMODITY OPTIONS**

| Description                                   | Strike Price | Expiration Date | # of Contracts | Notional Amount | Premiums (Received) | Market Value    |
|---|--------------|-----------------|----------------|-----------------|---------------------|-----------------|
| Call - NYMEX Crude February 2021 Futures      | \$ 46.000    | 01/14/2021      | 24             | 24              | \$ (20)             | \$ (72)         |
| Call - NYMEX Crude February 2021 Futures      | 47.000       | 01/14/2021      | 12             | 12              | (9)                 | (27)            |
| Call - NYMEX Crude February 2021 Futures      | 47.500       | 01/14/2021      | 12             | 12              | (10)                | (23)            |
| Call - NYMEX Crude March 2021 Futures         | 53.000       | 02/17/2021      | 24             | 24              | (20)                | (20)            |
| Call - NYMEX Crude March 2021 Futures         | 53.500       | 02/17/2021      | 12             | 12              | (10)                | (9)             |
| Call - NYMEX Crude March 2021 Futures         | 54.000       | 02/17/2021      | 24             | 24              | (17)                | (15)            |
| Put - NYMEX Natural Gas April 2021 Futures    | 2.500        | 03/26/2021      | 2              | 20              | (4)                 | (4)             |
| Put - NYMEX Natural Gas April 2021 Futures    | 12.000       | 03/26/2021      | 1              | 1               | (1)                 | 0               |
| Put - NYMEX Natural Gas April 2021 Futures    | 13.000       | 03/26/2021      | 1              | 1               | (1)                 | 0               |
| Call - NYMEX Natural Gas April 2021 Futures   | 18.000       | 03/26/2021      | 1              | 1               | (1)                 | (1)             |
| Call - NYMEX Natural Gas April 2021 Futures   | 19.000       | 03/26/2021      | 1              | 1               | 0                   | (1)             |
| Put - NYMEX Natural Gas February 2021 Futures | 2.300        | 01/26/2021      | 15             | 150             | (17)                | (11)            |
| Put - NYMEX Natural Gas February 2021 Futures | 2.400        | 01/26/2021      | 15             | 150             | (23)                | (17)            |
| Put - NYMEX Natural Gas June 2021 Futures     | 12.000       | 05/26/2021      | 1              | 1               | (1)                 | 0               |
| Put - NYMEX Natural Gas June 2021 Futures     | 13.000       | 05/26/2021      | 1              | 1               | (1)                 | (1)             |
| Call - NYMEX Natural Gas June 2021 Futures    | 18.000       | 05/26/2021      | 1              | 1               | (1)                 | (1)             |
| Call - NYMEX Natural Gas June 2021 Futures    | 19.000       | 05/26/2021      | 1              | 1               | 0                   | (1)             |
| Put - NYMEX Natural Gas May 2021 Futures      | 12.000       | 04/26/2021      | 1              | 1               | (1)                 | 0               |
| Put - NYMEX Natural Gas May 2021 Futures      | 13.000       | 04/26/2021      | 1              | 1               | (1)                 | (1)             |
| Call - NYMEX Natural Gas May 2021 Futures     | 18.000       | 04/26/2021      | 1              | 1               | (1)                 | (1)             |
| Call - NYMEX Natural Gas May 2021 Futures     | 19.000       | 04/26/2021      | 1              | 1               | 0                   | (1)             |
| <b>Total Written Options</b>                  |              |                 |                |                 | <b>\$ (139)</b>     | <b>\$ (206)</b> |

**FUTURES CONTRACTS:****LONG FUTURES CONTRACTS**

| Description   | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin |           |
|---|------------------|----------------|-----------------|---|------------------|-----------|
|   |                  |                |                 |   | Asset            | Liability |
| Arabica Coffee July Futures   | 07/2021          | 4              | \$ 198          | \$ 5                                    | \$ 4             | \$ 0      |
| Brent Crude April Futures   | 02/2021          | 12             | 622             | 17                                      | 2                | 0         |
| Brent Crude December Futures  | 10/2021          | 52             | 2,639           | 190                                     | 0                | (1)       |
| Brent Crude June Futures  | 04/2022          | 3              | 151             | 5                                       | 0                | 0         |
| Brent Crude March Futures   | 01/2021          | 38             | 1,968           | 113                                     | 7                | 0         |
| Brent Crude March Futures   | 01/2022          | 16             | 807             | 93                                      | 0                | (1)       |
| California Carbon Allowance Future Vintage December Futures                             | 12/2021          | 52             | 967             | 34                                      | 5                | 0         |
| Call Options Strike @ EUR 115.000 on Euro-Schatz Bond March 2021 Futures <sup>(1)</sup> | 02/2021          | 101            | 1               | 0                                       | 0                | 0         |
| Call Options Strike @ EUR 139.250 on Euro-Bobl March 2021 Futures <sup>(1)</sup>        | 02/2021          | 62             | 0               | 0                                       | 0                | 0         |

See Accompanying Notes

# Consolidated Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio (Cont.)

| Description  | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin |           |
|--|------------------|----------------|-----------------|---|------------------|-----------|
|  |                  |                |                 |   | Asset            | Liability |
| Call Options Strike @ EUR 139.500 on Euro-Bobl March 2021 Futures <sup>(1)</sup>             | 02/2021          | 54             | \$ 0            | \$ 0                                    | \$ 0             | \$ 0      |
| Chicago Ethanol (Platts) February Futures  | 02/2021          | 2              | 128             | 10                                      | 3                | 0         |
| Chicago Ethanol (Platts) March Futures   | 03/2021          | 2              | 129             | 14                                      | 3                | 0         |
| Cocoa March Futures  | 03/2021          | 9              | 234             | 12                                      | 1                | 0         |
| Copper March Futures   | 03/2021          | 6              | 528             | 0                                       | 0                | (4)       |
| Corn July Futures  | 07/2021          | 23             | 552             | 50                                      | 10               | 0         |
| Cotton No. 2 July Futures  | 07/2021          | 8              | 317             | 9                                       | 0                | 0         |
| Cotton No. 2 March Futures   | 03/2021          | 5              | 195             | 15                                      | 0                | 0         |
| Euro-Bund 10-Year Bond March Futures   | 03/2021          | 25             | 5,425           | (1)                                     | 0                | (2)       |
| Gas Oil December Futures   | 12/2021          | 26             | 1,128           | 140                                     | 0                | (8)       |
| Gold 100 oz. April Futures   | 04/2021          | 3              | 570             | 12                                      | 1                | 0         |
| Gold 100 oz. February Futures  | 02/2021          | 14             | 2,653           | 113                                     | 2                | 0         |
| Hard Red Winter Wheat July Futures   | 07/2021          | 11             | 334             | 14                                      | 1                | 0         |
| Hard Red Winter Wheat March Futures  | 03/2021          | 1              | 30              | 2                                       | 0                | 0         |
| Hard Red Winter Wheat May Futures  | 05/2021          | 6              | 182             | 12                                      | 1                | 0         |
| Henry Hub Natural Gas April Futures  | 03/2022          | 3              | 18              | (1)                                     | 0                | 0         |
| Henry Hub Natural Gas August Futures   | 07/2022          | 3              | 18              | (1)                                     | 0                | 0         |
| Henry Hub Natural Gas December Futures   | 11/2021          | 1              | 7               | 0                                       | 0                | 0         |
| Henry Hub Natural Gas December Futures   | 11/2022          | 3              | 20              | 1                                       | 0                | 0         |
| Henry Hub Natural Gas February Futures   | 01/2022          | 3              | 22              | 3                                       | 0                | 0         |
| Henry Hub Natural Gas January Futures  | 12/2021          | 3              | 23              | 3                                       | 1                | 0         |
| Henry Hub Natural Gas July Futures   | 06/2022          | 3              | 18              | (1)                                     | 0                | 0         |
| Henry Hub Natural Gas June Futures   | 05/2022          | 3              | 18              | (1)                                     | 0                | 0         |
| Henry Hub Natural Gas March Futures  | 02/2022          | 3              | 21              | 2                                       | 0                | 0         |
| Henry Hub Natural Gas May Futures  | 04/2022          | 3              | 18              | (1)                                     | 0                | 0         |
| Henry Hub Natural Gas November Futures   | 10/2021          | 1              | 7               | 0                                       | 0                | 0         |
| Henry Hub Natural Gas November Futures   | 10/2022          | 3              | 19              | 0                                       | 0                | 0         |
| Henry Hub Natural Gas October Futures  | 09/2021          | 1              | 7               | 0                                       | 0                | 0         |
| Henry Hub Natural Gas October Futures  | 09/2022          | 3              | 18              | (1)                                     | 0                | 0         |
| Henry Hub Natural Gas September Futures  | 08/2022          | 3              | 18              | (1)                                     | 0                | 0         |
| ICE Carbon Emissions March Futures   | 03/2021          | 10             | 398             | 14                                      | 6                | (10)      |
| Iron Ore March Futures   | 03/2021          | 53             | 813             | 82                                      | 4                | 0         |
| Lean Hogs June Futures   | 06/2021          | 4              | 133             | 5                                       | 1                | 0         |
| Live Cattle April Futures  | 04/2021          | 7              | 334             | 4                                       | 2                | 0         |
| Natural Gas April Futures  | 03/2021          | 6              | 152             | 3                                       | 6                | 0         |
| Natural Gas April Futures  | 03/2021          | 3              | 45              | 3                                       | 1                | 0         |
| Natural Gas February Futures   | 01/2021          | 3              | 76              | (10)                                    | 4                | 0         |
| Natural Gas May Futures  | 04/2021          | 18             | 460             | 11                                      | 15               | 0         |
| New York Harbor ULSD June Futures  | 05/2021          | 1              | 63              | 1                                       | 0                | 0         |
| Nickel March Futures   | 03/2021          | 7              | 698             | (24)                                    | 1                | (25)      |
| Platinum April Futures   | 04/2021          | 15             | 809             | 37                                      | 1                | 0         |
| Put Options Strike @ EUR 165.500 on Euro-Bund 10-Year Bond March 2021 Futures <sup>(1)</sup> | 02/2021          | 25             | 0               | 0                                       | 0                | 0         |
| RBOB Gasoline June Futures   | 05/2021          | 12             | 773             | 26                                      | 3                | 0         |
| Silver March Futures   | 03/2021          | 1              | 132             | 2                                       | 0                | (1)       |
| Soybean July Futures   | 07/2021          | 4              | 260             | 17                                      | 1                | 0         |
| Soybean March Futures  | 03/2021          | 15             | 983             | 117                                     | 8                | 0         |
| Soybean Meal July Futures  | 07/2021          | 8              | 336             | 20                                      | 0                | 0         |
| Soybean Meal March Futures   | 03/2021          | 42             | 1,803           | 168                                     | 7                | 0         |
| Soybean Oil July Futures   | 07/2021          | 13             | 319             | 19                                      | 3                | 0         |
| Sugar No. 11 July Futures  | 06/2021          | 20             | 318             | 15                                      | 3                | 0         |
| Sugar No. 11 March Futures   | 02/2021          | 3              | 52              | 2                                       | 1                | 0         |
| U.S. Treasury 2-Year Note March Futures  | 03/2021          | 297            | 65,630          | 62                                      | 7                | 0         |
| U.S. Treasury 5-Year Note March Futures  | 03/2021          | 648            | 81,754          | 161                                     | 30               | 0         |
| U.S. Treasury Ultra Long-Term Bond March Futures   | 03/2021          | 7              | 1,495           | (5)                                     | 5                | 0         |
| White Sugar March Futures  | 02/2021          | 2              | 42              | 5                                       | 0                | 0         |
| White Sugar May Futures  | 04/2021          | 4              | 82              | 3                                       | 1                | 0         |
| WTI Crude August Futures   | 07/2021          | 2              | 97              | 6                                       | 0                | 0         |
| WTI Crude December Futures   | 11/2022          | 30             | 1,387           | 59                                      | 0                | (3)       |
| WTI Crude February Futures   | 01/2021          | 31             | 1,504           | 108                                     | 4                | 0         |
| WTI Crude June Futures   | 05/2021          | 2              | 97              | 12                                      | 0                | 0         |
| WTI Crude June Futures   | 05/2022          | 40             | 1,871           | 56                                      | 0                | (3)       |
| WTI Crude March Futures  | 02/2021          | 15             | 729             | 2                                       | 2                | 0         |
| WTI Crude September Futures  | 08/2021          | 20             | 964             | 99                                      | 1                | 0         |
| WTI Crude September Futures  | 08/2022          | 2              | 93              | 3                                       | 0                | 0         |
| Zinc March Futures   | 03/2021          | 3              | 206             | 1                                       | 1                | (1)       |
|  |                  |                |                 | \$ 1,945                                | \$ 159           | \$ (59)   |

## SHORT FUTURES CONTRACTS

| Description   | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin |                 |
|---|------------------|----------------|-----------------|---|------------------|-----------------|
|   |                  |                |                 |   | Asset            | Liability       |
| Aluminum March Futures  | 03/2021          | 3              | \$ (148)        | \$ 5                                    | \$ 5             | \$ 0            |
| Arabica Coffee March Futures  | 03/2021          | 8              | (385)           | (28)                                    | 0                | (9)             |
| Australia Government 3-Year Note March Futures                                    | 03/2021          | 22             | (1,992)         | (2)                                     | 0                | 0               |
| Australia Government 10-Year Bond March Futures                                   | 03/2021          | 8              | (908)           | (5)                                     | 1                | (1)             |
| Brent Crude December Futures  | 10/2022          | 14             | (697)           | (19)                                    | 1                | 0               |
| Brent Crude December Futures  | 10/2023          | 5              | (247)           | (2)                                     | 1                | 0               |
| Brent Crude June Futures  | 04/2021          | 51             | (2,635)         | (305)                                   | 0                | (4)             |
| Brent Crude June Futures  | 04/2023          | 19             | (944)           | (26)                                    | 2                | 0               |
| Brent Crude September Futures   | 07/2021          | 1              | (51)            | (2)                                     | 0                | 0               |
| Call Options Strike @ USD 49.000 on Brent Crude March 2021 Futures <sup>(1)</sup> | 01/2021          | 12             | (44)            | (32)                                    | 0                | (2)             |
| Call Options Strike @ USD 50.000 on Brent Crude March 2021 Futures <sup>(1)</sup> | 01/2021          | 12             | (35)            | (26)                                    | 0                | (2)             |
| Call Options Strike @ USD 51.000 on Brent Crude March 2021 Futures <sup>(1)</sup> | 01/2021          | 12             | (28)            | (18)                                    | 0                | (2)             |
| Call Options Strike @ USD 53.000 on Brent Crude March 2021 Futures <sup>(1)</sup> | 01/2021          | 12             | (16)            | (6)                                     | 0                | (2)             |
| Call Options Strike @ USD 54.000 on Brent Crude March 2021 Futures <sup>(1)</sup> | 01/2021          | 12             | (12)            | (2)                                     | 0                | (2)             |
| Call Options Strike @ USD 55.000 on Brent Crude April 2021 Futures <sup>(1)</sup> | 02/2021          | 24             | (33)            | (9)                                     | 0                | (3)             |
| Call Options Strike @ USD 55.500 on Brent Crude April 2021 Futures <sup>(1)</sup> | 02/2021          | 12             | (15)            | (4)                                     | 0                | (2)             |
| Call Options Strike @ USD 56.000 on Brent Crude April 2021 Futures <sup>(1)</sup> | 02/2021          | 12             | (13)            | (2)                                     | 0                | (1)             |
| Corn March Futures  | 03/2021          | 62             | (1,500)         | (179)                                   | 0                | (30)            |
| Corn May Futures  | 05/2021          | 4              | (97)            | (5)                                     | 0                | (2)             |
| Euro-Bobl March Futures   | 03/2021          | 116            | (19,157)        | (19)                                    | 3                | 0               |
| Euro-BTP Italy Government Bond March Futures                                      | 03/2021          | 28             | (5,200)         | (24)                                    | 0                | (2)             |
| Euro-Buxl 30-Year Bond March Futures  | 03/2021          | 1              | (275)           | (1)                                     | 0                | 0               |
| Euro-OAT France Government 10-Year Bond March Futures                             | 03/2021          | 7              | (1,435)         | (8)                                     | 0                | 0               |
| Euro-Schatz March Futures   | 03/2021          | 101            | (13,853)        | 12                                      | 1                | 0               |
| Gas Oil June Futures  | 06/2021          | 7              | (300)           | (9)                                     | 3                | 0               |
| Gas Oil June Futures  | 06/2022          | 4              | (175)           | (17)                                    | 1                | 0               |
| Gas Oil March Futures   | 03/2022          | 7              | (306)           | (34)                                    | 2                | 0               |
| Gas Oil September Futures   | 09/2021          | 7              | (303)           | (42)                                    | 2                | 0               |
| Japan Government 10-Year Bond March Futures                                       | 03/2021          | 2              | (2,943)         | 0                                       | 1                | 0               |
| Lean Hogs April Futures   | 04/2021          | 22             | (636)           | (20)                                    | 0                | (10)            |
| Natural Gas April Futures   | 03/2022          | 2              | (28)            | (3)                                     | 0                | 0               |
| Natural Gas August Futures  | 07/2022          | 2              | (27)            | (1)                                     | 0                | 0               |
| Natural Gas December Futures  | 11/2021          | 1              | (16)            | (4)                                     | 0                | 0               |
| Natural Gas December Futures  | 11/2022          | 2              | (30)            | (4)                                     | 0                | 0               |
| Natural Gas February Futures  | 01/2022          | 2              | (30)            | (6)                                     | 0                | 0               |
| Natural Gas January Futures   | 12/2021          | 2              | (33)            | (7)                                     | 0                | 0               |
| Natural Gas July Futures  | 06/2022          | 2              | (27)            | (1)                                     | 0                | 0               |
| Natural Gas June Futures  | 05/2022          | 2              | (26)            | (1)                                     | 0                | 0               |
| Natural Gas March Futures   | 02/2021          | 35             | (884)           | 35                                      | 0                | (37)            |
| Natural Gas March Futures   | 02/2021          | 3              | (50)            | (3)                                     | 0                | (1)             |
| Natural Gas March Futures   | 02/2022          | 2              | (32)            | (6)                                     | 0                | 0               |
| Natural Gas May Futures   | 04/2022          | 2              | (27)            | (2)                                     | 0                | (1)             |
| Natural Gas November Futures  | 10/2021          | 1              | (15)            | (4)                                     | 0                | 0               |
| Natural Gas November Futures  | 10/2022          | 2              | (28)            | (3)                                     | 0                | 0               |
| Natural Gas October Futures   | 09/2021          | 1              | (15)            | (4)                                     | 0                | 0               |
| Natural Gas October Futures   | 09/2021          | 9              | (247)           | (13)                                    | 0                | (7)             |
| Natural Gas October Futures   | 09/2022          | 2              | (29)            | (3)                                     | 0                | 0               |
| Natural Gas September Futures   | 08/2022          | 2              | (26)            | (1)                                     | 0                | 0               |
| Palladium March Futures   | 03/2021          | 1              | (245)           | (13)                                    | 0                | (8)             |
| RBOB Gasoline March Futures   | 02/2021          | 6              | (357)           | (53)                                    | 0                | (2)             |
| Soybean Oil March Futures   | 03/2021          | 4              | (102)           | (10)                                    | 0                | (1)             |
| Sugar No. 11 May Futures  | 04/2021          | 3              | (49)            | (1)                                     | 0                | (1)             |
| U.S. Treasury 10-Year Note March Futures  | 03/2021          | 506            | (69,868)        | (62)                                    | 0                | (55)            |
| U.S. Treasury 10-Year Ultra Long-Term Bond March Futures                          | 03/2021          | 45             | (7,036)         | 22                                      | 0                | (10)            |
| U.S. Treasury 30-Year Bond March Futures  | 03/2021          | 198            | (34,291)        | 439                                     | 0                | (68)            |
| United Kingdom Long Gilt March Futures  | 03/2021          | 43             | (7,970)         | (89)                                    | 0                | (17)            |
| Wheat March Futures   | 03/2021          | 23             | (737)           | (51)                                    | 0                | 0               |
| Wheat May Futures   | 05/2021          | 4              | (128)           | (11)                                    | 0                | 0               |
| WTI Crude April Futures   | 03/2021          | 1              | (49)            | (3)                                     | 0                | 0               |
| WTI Crude December Futures  | 11/2021          | 36             | (1,716)         | (160)                                   | 0                | 0               |
| WTI Crude December Futures  | 11/2023          | 2              | (91)            | (1)                                     | 0                | 0               |
| WTI Crude January Futures   | 12/2021          | 7              | (332)           | (21)                                    | 0                | 0               |
| WTI Crude June Futures  | 05/2021          | 20             | (973)           | (90)                                    | 0                | (2)             |
| WTI Crude June Futures  | 05/2023          | 10             | (458)           | (7)                                     | 2                | 0               |
| WTI Crude March Futures   | 02/2022          | 2              | (94)            | (1)                                     | 0                | 0               |
| WTI Crude May Futures   | 04/2021          | 7              | (341)           | (22)                                    | 0                | (1)             |
|   |                  |                |                 | \$ (994)                                | \$ 25            | \$ (285)        |
| <b>Total Futures Contracts</b>  |                  |                |                 | <b>\$ 951</b>                           | <b>\$ 184</b>    | <b>\$ (344)</b> |

# Consolidated Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio (Cont.)

## SWAP AGREEMENTS:

### CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION<sup>(2)</sup>

| Reference Entity     | Fixed Receive Rate | Payment Frequency | Maturity Date | Implied Credit Spread at December 31, 2020 <sup>(4)</sup> | Notional Amount <sup>(5)</sup> | Premiums Paid/(Received) | Unrealized Appreciation/(Depreciation) | Market Value <sup>(6)</sup> | Variation Margin |           |
|----------------------|--------------------|-------------------|---------------|---|--------------------------------|--------------------------|--|-----------------------------|------------------|-----------|
|                      |                    |                   |               |   |                                |                          |  |                             | Asset            | Liability |
| General Electric Co. | 1.000%             | Quarterly         | 12/20/2023    | 0.572%  | \$ 200                         | \$ (11)                  | \$ 13                                  | \$ 2                        | \$ 0             | \$ 0      |

### CREDIT DEFAULT SWAPS ON CREDIT INDICES - BUY PROTECTION<sup>(3)</sup>

| Index/Tranches         | Fixed (Pay) Rate | Payment Frequency | Maturity Date | Notional Amount <sup>(5)</sup> | Premiums Paid/(Received) | Unrealized Appreciation/(Depreciation) | Market Value <sup>(6)</sup> | Variation Margin |           |
|------------------------|------------------|-------------------|---------------|--------------------------------|--------------------------|--|-----------------------------|------------------|-----------|
|                        |                  |                   |               |                                |                          |  |                             | Asset            | Liability |
| CDX.HY-35 5-Year Index | (5.000)%         | Quarterly         | 12/20/2025    | \$ 4,100                       | \$ (208)                 | \$ (182)                               | \$ (390)                    | \$ 0             | \$ (8)    |

## INTEREST RATE SWAPS

| Pay/Receive                  | Floating Rate | Floating Rate Index | Fixed Rate | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/(Depreciation) | Market Value      | Variation Margin |                 |
|------------------------------|---------------|---------------------|------------|-------------------|---------------|-----------------|--------------------------|--|-------------------|------------------|-----------------|
|                              |               |                     |            |                   |               |                 |                          |  |                   | Asset            | Liability       |
| Pay <sup>(7)</sup>           | 3-Month       | EUR-EURIBOR         | 0.526%     | Annual            | 11/21/2023    | EUR 10,300      | \$ 0                     | \$ (2)                                 | \$ (2)            | \$ 0             | \$ 0            |
| Receive                      | 3-Month       | NZD-BBR             | 3.250      | Semi-Annual       | 03/21/2028    | NZD 1,000       | 3                        | (137)                                  | (134)             | 0                | 0               |
| Receive <sup>(7)</sup>       | 3-Month       | USD-LIBOR           | 0.394      | Semi-Annual       | 11/21/2023    | \$ 10,500       | 0                        | (10)                                   | (10)              | 0                | 0               |
| Receive                      | 3-Month       | USD-LIBOR           | 1.750      | Semi-Annual       | 12/21/2026    | 600             | 31                       | (74)                                   | (43)              | 0                | (1)             |
| Receive                      | 6-Month       | JPY-LIBOR           | 0.300      | Semi-Annual       | 09/20/2027    | JPY 195,330     | (3)                      | (40)                                   | (43)              | 0                | 0               |
| Receive                      | CPTFEMU       |                     | 1.710      | Maturity          | 03/15/2033    | EUR 400         | (1)                      | (55)                                   | (56)              | 1                | 0               |
| Pay                          | CPTFEMU       |                     | 1.945      | Maturity          | 11/15/2048    | 100             | 0                        | 34                                     | 34                | 1                | 0               |
| Receive                      | CPURNSA       |                     | 1.875      | Maturity          | 03/14/2021    | \$ 2,100        | 0                        | (7)                                    | (7)               | 0                | (3)             |
| Receive                      | CPURNSA       |                     | 1.816      | Maturity          | 05/13/2021    | 10,100          | 0                        | (35)                                   | (35)              | 0                | (19)            |
| Receive                      | CPURNSA       |                     | 1.550      | Maturity          | 07/26/2021    | 1,100           | 37                       | (18)                                   | 19                | 0                | (1)             |
| Receive                      | CPURNSA       |                     | 1.445      | Maturity          | 09/09/2021    | 8,290           | 0                        | 19                                     | 19                | 0                | (2)             |
| Receive                      | CPURNSA       |                     | 1.603      | Maturity          | 09/12/2021    | 570             | 17                       | (9)                                    | 8                 | 0                | 0               |
| Receive                      | CPURNSA       |                     | 1.580      | Maturity          | 09/20/2021    | 2,100           | 0                        | (1)                                    | (1)               | 0                | 0               |
| Receive                      | CPURNSA       |                     | 1.592      | Maturity          | 09/20/2021    | 2,000           | 0                        | (1)                                    | (1)               | 0                | 0               |
| Pay                          | CPURNSA       |                     | 1.280      | Maturity          | 11/02/2021    | 2,100           | 0                        | (15)                                   | (15)              | 0                | 0               |
| Pay                          | CPURNSA       |                     | 1.290      | Maturity          | 11/05/2021    | 3,500           | 0                        | (25)                                   | (25)              | 0                | 0               |
| Receive                      | CPURNSA       |                     | 2.069      | Maturity          | 07/15/2022    | 700             | 0                        | (5)                                    | (5)               | 0                | 0               |
| Receive                      | CPURNSA       |                     | 2.500      | Maturity          | 07/15/2022    | 1,200           | (178)                    | 47                                     | (131)             | 1                | 0               |
| Receive                      | CPURNSA       |                     | 2.210      | Maturity          | 02/05/2023    | 3,970           | 0                        | (70)                                   | (70)              | 2                | 0               |
| Receive                      | CPURNSA       |                     | 2.263      | Maturity          | 04/27/2023    | 2,120           | 0                        | (50)                                   | (50)              | 1                | 0               |
| Receive                      | CPURNSA       |                     | 2.560      | Maturity          | 05/08/2023    | 13,100          | (2,128)                  | 644                                    | (1,484)           | 9                | 0               |
| Receive                      | CPURNSA       |                     | 2.263      | Maturity          | 05/09/2023    | 630             | 0                        | (15)                                   | (15)              | 0                | 0               |
| Receive                      | CPURNSA       |                     | 2.281      | Maturity          | 05/10/2023    | 960             | 0                        | (25)                                   | (25)              | 0                | (1)             |
| Pay                          | CPURNSA       |                     | 2.102      | Maturity          | 07/20/2027    | 1,800           | 0                        | 11                                     | 11                | 0                | (4)             |
| Pay                          | CPURNSA       |                     | 2.080      | Maturity          | 07/25/2027    | 1,300           | 0                        | 5                                      | 5                 | 0                | (3)             |
| Pay                          | CPURNSA       |                     | 2.122      | Maturity          | 08/01/2027    | 1,900           | 0                        | 15                                     | 15                | 0                | (4)             |
| Receive                      | CPURNSA       |                     | 1.794      | Maturity          | 08/24/2027    | 600             | 0                        | 20                                     | 20                | 1                | 0               |
| Receive                      | CPURNSA       |                     | 1.798      | Maturity          | 08/25/2027    | 300             | 0                        | 10                                     | 10                | 1                | 0               |
| Receive                      | CPURNSA       |                     | 1.890      | Maturity          | 08/27/2027    | 300             | 0                        | 8                                      | 8                 | 1                | 0               |
| Pay                          | CPURNSA       |                     | 2.180      | Maturity          | 09/20/2027    | 650             | 0                        | 8                                      | 8                 | 0                | (1)             |
| Pay                          | CPURNSA       |                     | 2.150      | Maturity          | 09/25/2027    | 600             | 0                        | 5                                      | 5                 | 0                | (1)             |
| Pay                          | CPURNSA       |                     | 2.155      | Maturity          | 10/17/2027    | 1,400           | 0                        | 13                                     | 13                | 0                | (3)             |
| Pay                          | CPURNSA       |                     | 2.335      | Maturity          | 02/05/2028    | 2,010           | 4                        | 68                                     | 72                | 0                | (4)             |
| Pay                          | CPURNSA       |                     | 2.353      | Maturity          | 05/09/2028    | 630             | 0                        | 25                                     | 25                | 0                | (1)             |
| Pay                          | CPURNSA       |                     | 2.360      | Maturity          | 05/09/2028    | 950             | 0                        | 39                                     | 39                | 0                | (2)             |
| Pay                          | CPURNSA       |                     | 2.364      | Maturity          | 05/10/2028    | 960             | 0                        | 40                                     | 40                | 0                | (2)             |
| Pay                          | CPURNSA       |                     | 2.370      | Maturity          | 06/06/2028    | 1,800           | 0                        | 73                                     | 73                | 0                | (4)             |
| Pay                          | CPURNSA       |                     | 2.165      | Maturity          | 04/16/2029    | 1,100           | 0                        | 10                                     | 10                | 0                | (3)             |
| Pay                          | CPURNSA       |                     | 1.954      | Maturity          | 06/03/2029    | 400             | 0                        | (5)                                    | (5)               | 0                | (1)             |
| Pay                          | CPURNSA       |                     | 1.998      | Maturity          | 07/25/2029    | 2,800           | 2                        | (21)                                   | (19)              | 0                | (7)             |
| Receive                      | FRCPXTOB      |                     | 1.345      | Maturity          | 06/15/2021    | EUR 800         | 0                        | (24)                                   | (24)              | 0                | (1)             |
| Receive                      | FRCPXTOB      |                     | 1.030      | Maturity          | 03/15/2024    | 800             | 0                        | (27)                                   | (27)              | 0                | 0               |
| Pay                          | FRCPXTOB      |                     | 1.618      | Maturity          | 07/15/2028    | 520             | 0                        | 62                                     | 62                | 1                | 0               |
| Pay                          | FRCPXTOB      |                     | 1.910      | Maturity          | 01/15/2038    | 390             | 1                        | 91                                     | 92                | 1                | 0               |
| Pay                          | UKRPI         |                     | 3.330      | Maturity          | 01/15/2025    | GBP 12,100      | 358                      | 81                                     | 439               | 0                | 0               |
| Pay                          | UKRPI         |                     | 3.633      | Maturity          | 12/15/2028    | 200             | 0                        | 21                                     | 21                | 0                | (1)             |
| Pay                          | UKRPI         |                     | 3.400      | Maturity          | 01/15/2030    | 3,800           | (2)                      | 123                                    | 121               | 0                | (20)            |
| Pay                          | UKRPI         |                     | 3.480      | Maturity          | 01/15/2030    | 1,400           | 15                       | 50                                     | 65                | 0                | (7)             |
| Pay                          | UKRPI         |                     | 3.346      | Maturity          | 05/15/2030    | 300             | 1                        | 3                                      | 4                 | 0                | (2)             |
| Pay                          | UKRPI         |                     | 3.400      | Maturity          | 06/15/2030    | 2,100           | 35                       | 184                                    | 219               | 0                | (11)            |
| Pay                          | UKRPI         |                     | 3.475      | Maturity          | 08/15/2030    | 200             | 2                        | 1                                      | 3                 | 0                | (1)             |
|                              |               |                     |            |                   |               |                 | \$ (1,806)               | \$ 1,039                               | \$ (767)          | \$ 20            | \$ (110)        |
| <b>Total Swap Agreements</b> |               |                     |            |                   |               |                 | <b>\$ (2,025)</b>        | <b>\$ 870</b>                          | <b>\$ (1,155)</b> | <b>\$ 20</b>     | <b>\$ (118)</b> |



**FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY**

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of December 31, 2020:

|   | Financial Derivative Assets |                      |              |                 | Financial Derivative Liabilities |                  |                 |                 |
|---|-----------------------------|----------------------|--------------|-----------------|----------------------------------|------------------|-----------------|-----------------|
|   | Market Value                | Variation Margin     |              |                 | Market Value                     | Variation Margin |                 |                 |
|   |                             | Asset <sup>(8)</sup> |              |                 |                                  | Liability        |                 |                 |
|   |                             | Purchased Options    | Futures      | Swap Agreements |                                  | Total            | Written Options | Futures         |
| <b>Total Exchange-Traded or Centrally Cleared</b> | <b>\$ 0</b>                 | <b>\$ 188</b>        | <b>\$ 20</b> | <b>\$ 208</b>   | <b>\$ (206)</b>                  | <b>\$ (344)</b>  | <b>\$ (118)</b> | <b>\$ (668)</b> |

(k) Securities with an aggregate market value of \$872 and cash of \$4,399 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of December 31, 2020.

<sup>(1)</sup> Future styled option.

<sup>(2)</sup> If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

<sup>(3)</sup> If the Portfolio is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

<sup>(4)</sup> Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

<sup>(5)</sup> The maximum potential amount the Portfolio could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

<sup>(6)</sup> The prices and resulting values for credit default swap agreements serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the underlying referenced instrument's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

<sup>(7)</sup> This instrument has a forward starting effective date. See Note 2, Securities Transactions and Investment Income, in the Notes to Financial Statements for further information.

<sup>(8)</sup> Unsettled variation margin asset of \$4 for closed future agreements is outstanding at period end.

**(l) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER**
**FORWARD FOREIGN CURRENCY CONTRACTS:**

| Counterparty | Settlement Month | Currency to be Delivered | Currency to be Received | Unrealized Appreciation/ (Depreciation) |           |
|--------------|------------------|--------------------------|-------------------------|---|-----------|
|              |                  |                          |                         | Asset                                   | Liability |
| BOA          | 01/2021          | JPY 232,422              | \$ 2,235                | \$ 0                                    | \$ (16)   |
|              | 02/2021          | GBP 33                   | 44                      | 0                                       | (1)       |
|              | 02/2021          | \$ 45                    | EUR 38                  | 1                                       | 0         |
|              | 07/2021          | EUR 10                   | \$ 11                   | 0                                       | (1)       |
|              | 07/2021          | \$ 134                   | EUR 122                 | 16                                      | 0         |
| BPS          | 01/2021          | AUD 4,274                | \$ 3,144                | 0                                       | (151)     |
|              | 01/2021          | CAD 1,164                | 898                     | 0                                       | (17)      |
|              | 07/2021          | \$ 66                    | EUR 56                  | 3                                       | 0         |
| CBK          | 01/2021          | EUR 660                  | \$ 796                  | 0                                       | (10)      |
|              | 01/2021          | JPY 22,659               | 218                     | 0                                       | (2)       |
|              | 01/2021          | NZD 3,011                | 2,118                   | 0                                       | (48)      |
|              | 01/2021          | PEN 1,068                | 296                     | 1                                       | 0         |
|              | 03/2021          | MXN 7,847                | 384                     | 0                                       | (7)       |
| GLM          | 01/2021          | \$ 12                    | EUR 11                  | 2                                       | 0         |
|              | 01/2021          | 4,605                    | JPY 476,600             | 11                                      | 0         |
|              | 02/2021          | JPY 476,600              | \$ 4,606                | 0                                       | (11)      |
|              | 07/2021          | EUR 56                   | 67                      | 0                                       | (2)       |
|              | 07/2021          | \$ 57                    | EUR 49                  | 3                                       | 0         |
|              | 11/2022          | EUR 127                  | \$ 157                  | 0                                       | (1)       |
| HUS          | 01/2021          | 222                      | 266                     | 0                                       | (5)       |
|              | 01/2021          | GBP 9,211                | 12,320                  | 0                                       | (276)     |
|              | 01/2021          | JPY 41,860               | 402                     | 0                                       | (4)       |
|              | 01/2021          | \$ 352                   | GBP 260                 | 4                                       | 0         |
|              | 02/2021          | EUR 14                   | \$ 17                   | 0                                       | 0         |

# Consolidated Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio (Cont.)

| Counterparty                                    | Settlement Month | Currency to be Delivered | Currency to be Received | Unrealized Appreciation/ (Depreciation) |                   |
|---|------------------|--------------------------|-------------------------|---|-------------------|
|   |                  |                          |                         | Asset                                   | Liability         |
|   | 02/2021          | \$ 10                    | EUR 9                   | \$ 1                                    | \$ 0              |
|   | 04/2021          | 10                       | 10                      | 1                                       | 0                 |
|   | 05/2021          | 11                       | 10                      | 1                                       | 0                 |
|   | 06/2021          | 10                       | 9                       | 1                                       | 0                 |
|   | 08/2021          | 11                       | 10                      | 1                                       | 0                 |
|   | 09/2021          | 11                       | 10                      | 1                                       | 0                 |
|   | 11/2021          | 12                       | 11                      | 2                                       | 0                 |
|   | 12/2021          | 13                       | 12                      | 2                                       | 0                 |
| IND   | 03/2021          | 11                       | 10                      | 1                                       | 0                 |
| JPM   | 03/2021          | EUR 10                   | \$ 12                   | 0                                       | (1)               |
|   | 04/2021          | 10                       | 11                      | 0                                       | (1)               |
|   | 05/2021          | 10                       | 12                      | 0                                       | (1)               |
|   | 06/2021          | 9                        | 10                      | 0                                       | (1)               |
|   | 08/2021          | 10                       | 12                      | 0                                       | (1)               |
|   | 09/2021          | 10                       | 11                      | 0                                       | (1)               |
|   | 10/2021          | 11                       | 12                      | 0                                       | (1)               |
|   | 11/2021          | 11                       | 12                      | 0                                       | (1)               |
|   | 12/2021          | 12                       | 13                      | 0                                       | (1)               |
|   | 07/2022          | 106                      | 122                     | 0                                       | (9)               |
| MYI   | 01/2021          | 11                       | 13                      | 0                                       | (1)               |
|   | 02/2021          | 9                        | 10                      | 0                                       | (1)               |
|   | 07/2021          | 113                      | 134                     | 0                                       | (4)               |
| SCX   | 01/2021          | 17,496                   | 20,953                  | 0                                       | (421)             |
|   | 02/2021          | 17,496                   | 21,422                  | 33                                      | 0                 |
|   | 02/2021          | \$ 137                   | ILS 471                 | 10                                      | 0                 |
| TOR   | 01/2021          | JPY 179,659              | \$ 1,722                | 0                                       | (18)              |
|   | 07/2021          | EUR 113                  | 123                     | 0                                       | (15)              |
|   | 10/2021          | \$ 12                    | EUR 11                  | 1                                       | 0                 |
| <b>Total Forward Foreign Currency Contracts</b> |                  |                          |                         | <b>\$ 96</b>                            | <b>\$ (1,030)</b> |

## PURCHASED OPTIONS:

### FOREIGN CURRENCY OPTIONS

| Counterparty | Description              | Strike Price | Expiration Date | Notional Amount <sup>(1)</sup> | Cost  | Market Value |
|--------------|--------------------------|--------------|-----------------|--------------------------------|-------|--------------|
| HUS          | Put - OTC GBP versus USD | \$ 1.315     | 01/07/2021      | 4,775                          | \$ 62 | \$ 1         |

### INTEREST RATE SWAPPTIONS

| Counterparty | Description                          | Floating Rate Index | Pay/Receive Floating Rate | Exercise Rate | Expiration Date | Notional Amount <sup>(1)</sup> | Cost          | Market Value  |
|--------------|--------------------------------------|---------------------|---------------------------|---------------|-----------------|--------------------------------|---------------|---------------|
| BPS          | Put - OTC 30-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Receive                   | 0.195%        | 11/02/2022      | 950                            | \$ 1          | \$ 65         |
|              | Put - OTC 30-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Receive                   | 0.197         | 11/04/2022      | 1,190                          | 91            | 81            |
| BRC          | Put - OTC 30-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Receive                   | 0.197         | 11/04/2022      | 610                            | 45            | 41            |
| MYC          | Call - OTC 1-Year Interest Rate Swap | 3-Month USD-LIBOR   | Pay                       | 0.344         | 11/17/2022      | 24,600                         | 27            | 40            |
|              | Put - OTC 30-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Receive                   | 0.190         | 11/02/2022      | 900                            | 66            | 62            |
|              |                                      |                     |                           |               |                 |                                | <b>\$ 230</b> | <b>\$ 289</b> |

### OPTIONS ON SECURITIES

| Counterparty | Description   | Strike Price | Expiration Date | Notional Amount <sup>(1)</sup> | Cost        | Market Value |
|--------------|---|--------------|-----------------|--------------------------------|-------------|--------------|
| FAR          | Put - OTC Uniform Mortgage-Backed Security, TBA 3.500% due 02/01/2051 | \$ 64.000    | 02/04/2021      | 4,762                          | \$ 0        | \$ 0         |
|              | Put - OTC Uniform Mortgage-Backed Security, TBA 4.000% due 01/01/2051 | 66.000       | 01/07/2021      | 7,300                          | 0           | 0            |
| JPM          | Put - OTC Uniform Mortgage-Backed Security, TBA 3.000% due 02/01/2051 | 73.000       | 02/04/2021      | 4,300                          | 0           | 0            |
|              | Put - OTC Uniform Mortgage-Backed Security, TBA 4.000% due 02/01/2051 | 75.000       | 02/04/2021      | 8,428                          | 1           | 0            |
|              |   |              |                 |                                | <b>\$ 1</b> | <b>\$ 0</b>  |

## STRADDLE OPTIONS

| Counterparty                   | Description  | Exercise Level <sup>(2)</sup> | Expiration Date | Notional Amount <sup>(1)</sup> | Cost <sup>(2)</sup> | Market Value  |
|--------------------------------|--|-------------------------------|-----------------|--------------------------------|---------------------|---------------|
| BOA                            | Call & Put - OTC 1-Year vs. 30-Year Forward Volatility Agreement | 0.000%                        | 06/16/2023      | 14                             | \$ 2                | \$ 2          |
| MYC                            | Call & Put - OTC 1-Year vs. 30-Year Forward Volatility Agreement | 0.000                         | 06/16/2023      | 22                             | 2                   | 2             |
| <b>Total Purchased Options</b> |  |                               |                 |                                | <b>\$ 297</b>       | <b>\$ 294</b> |

## WRITTEN OPTIONS:

## CREDIT DEFAULT SWAPTIONS ON CREDIT INDICES

| Counterparty | Description                              | Buy/Sell Protection | Exercise Rate | Expiration Date | Notional Amount <sup>(1)</sup> | Premiums (Received) | Market Value   |
|--------------|--|---------------------|---------------|-----------------|--------------------------------|---------------------|----------------|
| BOA          | Call - OTC iTraxx Europe 34 5-Year Index | Buy                 | 0.450%        | 01/20/2021      | 1,900                          | \$ (2)              | \$ (1)         |
|              | Put - OTC iTraxx Europe 34 5-Year Index  | Sell                | 0.850         | 01/20/2021      | 1,900                          | (3)                 | 0              |
| BPS          | Put - OTC CDX.HY-35 5-Year Index         | Sell                | 98.250        | 01/20/2021      | 200                            | (1)                 | 0              |
|              | Put - OTC iTraxx Europe 34 5-Year Index  | Sell                | 0.700         | 02/17/2021      | 400                            | 0                   | (1)            |
|              | Call - OTC iTraxx Europe 34 5-Year Index | Buy                 | 0.400         | 03/17/2021      | 2,000                          | (2)                 | (1)            |
|              | Call - OTC iTraxx Europe 34 5-Year Index | Buy                 | 0.425         | 03/17/2021      | 1,200                          | (1)                 | (1)            |
|              | Put - OTC iTraxx Europe 34 5-Year Index  | Sell                | 0.700         | 03/17/2021      | 600                            | (1)                 | (1)            |
|              | Put - OTC iTraxx Europe 34 5-Year Index  | Sell                | 0.750         | 03/17/2021      | 2,000                          | (2)                 | (2)            |
|              | Put - OTC iTraxx Europe 34 5-Year Index  | Sell                | 0.800         | 03/17/2021      | 1,200                          | (1)                 | (1)            |
|              | Call - OTC iTraxx Europe 34 5-Year Index | Buy                 | 0.375         | 04/21/2021      | 600                            | 0                   | 0              |
|              | Put - OTC iTraxx Europe 34 5-Year Index  | Sell                | 0.750         | 04/21/2021      | 600                            | (1)                 | (1)            |
| BRC          | Put - OTC iTraxx Europe 34 5-Year Index  | Sell                | 0.700         | 03/17/2021      | 500                            | (1)                 | (1)            |
|              | Call - OTC iTraxx Europe 34 5-Year Index | Buy                 | 0.375         | 04/21/2021      | 100                            | 0                   | 0              |
|              | Put - OTC iTraxx Europe 34 5-Year Index  | Sell                | 0.750         | 04/21/2021      | 100                            | 0                   | 0              |
| GST          | Put - OTC CDX.IG-33 5-Year Index         | Sell                | 2.500         | 03/17/2021      | 1,000                          | (1)                 | 0              |
|              | Put - OTC iTraxx Europe 32 5-Year Index  | Sell                | 2.500         | 03/17/2021      | 800                            | (1)                 | 0              |
|              | Call - OTC iTraxx Europe 34 5-Year Index | Buy                 | 0.400         | 03/17/2021      | 700                            | 0                   | (1)            |
|              | Put - OTC iTraxx Europe 34 5-Year Index  | Sell                | 0.750         | 03/17/2021      | 700                            | (1)                 | (1)            |
|              |  |                     |               |                 |                                | <b>\$ (18)</b>      | <b>\$ (12)</b> |

## INFLATION-CAPPED OPTIONS

| Counterparty | Description       | Initial Index | Floating Rate  | Expiration Date | Notional Amount <sup>(1)</sup> | Premiums (Received) | Market Value  |
|--------------|-------------------|---------------|--|-----------------|--------------------------------|---------------------|---------------|
| GLM          | Cap - OTC CPALEMU | 100.152       | Maximum of [(Final Index/Initial Index - 1) - 3.000%] or 0 | 06/22/2035      | 1,200                          | \$ (55)             | \$ (1)        |
| JPM          | Cap - OTC CPURNSA | 234.781       | Maximum of [(Final Index/Initial Index - 1) - 4.000%] or 0 | 05/16/2024      | 600                            | (4)                 | 0             |
|              |                   |               |  |                 |                                | <b>\$ (59)</b>      | <b>\$ (1)</b> |

## INTEREST RATE SWAPTIONS

| Counterparty | Description                          | Floating Rate Index | Pay/Receive Floating Rate | Exercise Rate | Expiration Date | Notional Amount <sup>(1)</sup> | Premiums (Received) | Market Value |
|--------------|--------------------------------------|---------------------|---------------------------|---------------|-----------------|--------------------------------|---------------------|--------------|
| BPS          | Put - OTC 10-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Pay                       | 0.000%        | 11/02/2022      | 2,900                          | \$ 0                | \$ (61)      |
|              | Put - OTC 10-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Pay                       | 0.000         | 11/04/2022      | 3,590                          | (89)                | (76)         |
| BRC          | Put - OTC 10-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Pay                       | 0.000         | 11/04/2022      | 1,810                          | (44)                | (38)         |
| GLM          | Call - OTC 1-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Receive                   | 0.526         | 11/17/2022      | 20,500                         | (32)                | (27)         |
| MYC          | Put - OTC 10-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Pay                       | 0.000         | 11/02/2022      | 2,800                          | (68)                | (59)         |
|              |                                      |                     |                           |               |                 | <b>\$ (233)</b>                | <b>\$ (261)</b>     |              |

## OPTIONS ON SECURITIES

| Counterparty | Description  | Strike Price | Expiration Date | Notional Amount <sup>(1)</sup> | Premiums (Received) | Market Value |
|--------------|--|--------------|-----------------|--------------------------------|---------------------|--------------|
| JPM          | Put - OTC Ginnie Mae, TBA 2.000% due 03/01/2051                        | \$ 102.906   | 03/11/2021      | 100                            | \$ 0                | \$ (1)       |
|              | Put - OTC Ginnie Mae, TBA 2.500% due 02/01/2051                        | 103.773      | 02/11/2021      | 400                            | (1)                 | 0            |
|              | Put - OTC Ginnie Mae, TBA 2.500% due 03/01/2051                        | 104.000      | 03/11/2021      | 100                            | 0                   | (1)          |
|              | Put - OTC Ginnie Mae, TBA 2.500% due 04/01/2051 «                      | 104.125      | 04/14/2021      | 200                            | (1)                 | (1)          |
|              | Put - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 03/01/2051  | 102.125      | 03/04/2021      | 100                            | 0                   | 0            |
|              | Put - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 03/01/2051  | 102.141      | 03/04/2021      | 200                            | (1)                 | 0            |
|              | Call - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 03/01/2051 | 104.141      | 03/04/2021      | 200                            | 0                   | 0            |

# Consolidated Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio (Cont.)

| Counterparty                 | Description  | Strike Price | Expiration Date | Notional Amount <sup>(1)</sup> | Premiums (Received) | Market Value    |                 |
|------------------------------|--|--------------|-----------------|--------------------------------|---------------------|-----------------|-----------------|
| SAL                          | Put - OTC Uniform Mortgage-Backed Security, TBA 1.500% due 02/01/2051  | \$ 98.406    | 02/04/2021      | 1,100                          | \$ (3)              | \$ (4)          |                 |
|                              | Put - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 02/01/2051  | 102.750      | 02/04/2021      | 200                            | (1)                 | (1)             |                 |
|                              | Call - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 02/01/2051 | 103.750      | 02/04/2021      | 200                            | 0                   | (1)             |                 |
|                              |  |              |                 |                                | \$ (7)              | \$ (9)          |                 |
| <b>Total Written Options</b> |  |              |                 |                                |                     | <b>\$ (317)</b> | <b>\$ (283)</b> |

## SWAP AGREEMENTS:

### COMMODITY FORWARD SWAPS

| Counterparty | Pay/Receive | Underlying Reference Commodity | Fixed Price Per Unit | Payment Frequency | Maturity Date | # of Units | Premiums Paid/(Received) | Unrealized Appreciation/(Depreciation) | Swap Agreements, at Value |           |
|--------------|-------------|--------------------------------|----------------------|-------------------|---------------|------------|--------------------------|--|---------------------------|-----------|
|              |             |                                |                      |                   |               |            |                          |  | Asset                     | Liability |
| BPS          | Pay         | CBOT Wheat May 2021 Futures    | \$ 6.060             | Maturity          | 04/23/2021    | 5,000      | \$ 0                     | \$ (2)                                 | \$ 0                      | \$ (2)    |
|              | Receive     | EURMARGIN 1Q21                 | 6.000                | Maturity          | 03/31/2021    | 2,880      | (9)                      | 3                                      | 0                         | (6)       |
|              | Receive     | EURMARGIN CAL21                | 6.120                | Maturity          | 12/31/2021    | 600        | (2)                      | 1                                      | 0                         | (1)       |
|              | Receive     | ULSDCO CAL21                   | 9.170                | Maturity          | 12/31/2021    | 1,200      | 0                        | (1)                                    | 0                         | (1)       |
| CBK          | Receive     | HOBR CAL21                     | 15.670               | Maturity          | 12/31/2021    | 1,152      | 0                        | (4)                                    | 0                         | (4)       |
|              | Receive     | MEHMID CAL20-21                | 1.840                | Maturity          | 12/31/2021    | 2,200      | 0                        | (3)                                    | 0                         | (3)       |
| CIB          | Receive     | GOLDLNP Index                  | 1,888.510            | Maturity          | 02/01/2021    | 200        | 0                        | 1                                      | 1                         | 0         |
| GST          | Pay         | CBOT Wheat March 2021 Futures  | 5.578                | Maturity          | 02/19/2021    | 25,000     | 0                        | (21)                                   | 0                         | (21)      |
|              | Pay         | CBOT Wheat March 2021 Futures  | 5.630                | Maturity          | 02/19/2021    | 10,000     | 0                        | (8)                                    | 0                         | (8)       |
|              | Pay         | CBOT Wheat March 2021 Futures  | 5.660                | Maturity          | 02/19/2021    | 35,000     | 0                        | (26)                                   | 0                         | (26)      |
|              | Receive     | EURMARGIN CAL21                | 3.500                | Maturity          | 12/31/2021    | 1,200      | 0                        | 2                                      | 2                         | 0         |
|              | Receive     | HOBR CAL21                     | 14.080               | Maturity          | 12/31/2021    | 1,200      | 0                        | (3)                                    | 0                         | (3)       |
|              | Pay         | HOBR CAL21                     | 17.320               | Maturity          | 12/31/2021    | 3,600      | 0                        | 20                                     | 20                        | 0         |
|              | Receive     | KCBT Wheat March 2021 Futures  | 4.820                | Maturity          | 02/19/2021    | 10,000     | 0                        | 12                                     | 12                        | 0         |
|              | Receive     | KCBT Wheat March 2021 Futures  | 4.900                | Maturity          | 02/19/2021    | 10,000     | 0                        | 11                                     | 11                        | 0         |
|              | Receive     | KCBT Wheat March 2021 Futures  | 4.940                | Maturity          | 02/19/2021    | 10,000     | 0                        | 11                                     | 11                        | 0         |
| JPM          | Pay         | CBOT Wheat March 2021 Futures  | 5.539                | Maturity          | 02/19/2021    | 10,000     | 0                        | (8)                                    | 0                         | (8)       |
|              | Pay         | CBOT Wheat March 2021 Futures  | 5.584                | Maturity          | 02/19/2021    | 10,000     | 0                        | (8)                                    | 0                         | (8)       |
|              | Pay         | CBOT Wheat March 2021 Futures  | 5.621                | Maturity          | 02/19/2021    | 10,000     | 0                        | (8)                                    | 0                         | (8)       |
|              | Pay         | CBOT Wheat March 2021 Futures  | 6.079                | Maturity          | 02/19/2021    | 15,000     | 0                        | (5)                                    | 0                         | (5)       |
|              | Receive     | EURMARGIN CAL21                | 6.350                | Maturity          | 12/31/2021    | 2,160      | (3)                      | 0                                      | 0                         | (3)       |
|              | Receive     | EUROBOCO CAL21                 | 7.700                | Maturity          | 12/31/2021    | 8,100      | (38)                     | 16                                     | 0                         | (22)      |
|              | Pay         | Gold February 2021 Futures     | 1,865.400            | Maturity          | 01/26/2021    | 900        | 0                        | (27)                                   | 0                         | (27)      |
|              | Receive     | GOLDLNP Index                  | 1,875.304            | Maturity          | 01/28/2021    | 600        | 0                        | 10                                     | 10                        | 0         |
|              | Receive     | GOLDLNP Index                  | 1,889.912            | Maturity          | 11/29/2022    | 100        | 0                        | 1                                      | 1                         | 0         |
|              | Receive     | HOBR CAL21                     | 15.500               | Maturity          | 12/31/2021    | 1,248      | 0                        | (4)                                    | 0                         | (4)       |
|              | Receive     | LLSCO CAL21                    | 1.700                | Maturity          | 12/31/2021    | 2,400      | 0                        | 1                                      | 1                         | 0         |
|              | Receive     | MEHCO CAL22                    | 2.820                | Maturity          | 12/31/2022    | 3,600      | 0                        | 2                                      | 2                         | 0         |
| MAC          | Receive     | EURMARGIN CAL21                | 3.100                | Maturity          | 12/31/2021    | 12,000     | 0                        | 23                                     | 23                        | 0         |
|              | Receive     | EUROBOCO CAL21                 | 4.950                | Maturity          | 12/31/2021    | 8,400      | (39)                     | 39                                     | 0                         | 0         |
|              | Receive     | HOBR CAL21                     | 16.250               | Maturity          | 12/31/2021    | 1,200      | 0                        | (5)                                    | 0                         | (5)       |
|              | Receive     | KCBT Wheat March 2021 Futures  | 4.843                | Maturity          | 02/19/2021    | 10,000     | 0                        | 12                                     | 12                        | 0         |
|              | Receive     | LLSCO CAL22                    | 2.800                | Maturity          | 12/31/2022    | 1,200      | 0                        | 1                                      | 1                         | 0         |
|              | Receive     | MEHCO CAL21                    | 3.250                | Maturity          | 12/31/2021    | 1,200      | 0                        | 2                                      | 2                         | 0         |
|              | Receive     | MEHCO CAL22                    | 2.300                | Maturity          | 12/31/2022    | 1,200      | 0                        | 0                                      | 0                         | 0         |
|              | Receive     | MEHMID CAL21                   | 1.100                | Maturity          | 12/31/2021    | 1,100      | 0                        | (1)                                    | 0                         | (1)       |
| MEI          | Pay         | Gold February 2021 Futures     | 1,938.000            | Maturity          | 01/28/2021    | 300        | 0                        | 13                                     | 13                        | 0         |
|              | Pay         | Gold February 2021 Futures     | 1,938.900            | Maturity          | 01/28/2021    | 400        | 0                        | 18                                     | 18                        | 0         |
|              | Pay         | Gold February 2021 Futures     | 1,955.200            | Maturity          | 01/28/2021    | 300        | 0                        | 18                                     | 18                        | 0         |
|              | Receive     | GOLDLNP Index                  | 1,932.790            | Maturity          | 01/28/2021    | 400        | 0                        | (16)                                   | 0                         | (16)      |
|              | Receive     | GOLDLNP Index                  | 1,949.080            | Maturity          | 01/28/2021    | 300        | 0                        | (17)                                   | 0                         | (17)      |
|              | Receive     | GOLDLNP Index                  | 1,929.990            | Maturity          | 01/29/2021    | 300        | 0                        | (11)                                   | 0                         | (11)      |
| MYC          | Receive     | EURMARGIN CAL21                | 3.450                | Maturity          | 12/31/2021    | 600        | 0                        | 1                                      | 1                         | 0         |
|              | Receive     | EUROBOCO CAL21                 | 5.600                | Maturity          | 12/31/2021    | 2,400      | 0                        | (1)                                    | 0                         | (1)       |
|              | Pay         | LLSCO CAL21                    | 1.250                | Maturity          | 12/31/2021    | 2,400      | 0                        | 0                                      | 0                         | 0         |
|              | Receive     | LLSCO CAL22                    | 2.500                | Maturity          | 12/31/2022    | 1,200      | 0                        | 1                                      | 1                         | 0         |
|              | Receive     | LLSCO CAL22                    | 2.100                | Maturity          | 12/31/2022    | 2,400      | 0                        | 1                                      | 1                         | 0         |
|              | Receive     | ULSDCO CAL21                   | 6.450                | Maturity          | 12/31/2021    | 1,200      | 0                        | 2                                      | 2                         | 0         |
|              | Receive     | ULSDCO CAL21                   | 6.630                | Maturity          | 12/31/2021    | 1,200      | 0                        | 2                                      | 2                         | 0         |
|              |             |                                |                      |                   |               |            | \$ (91)                  | \$ 45                                  | \$ 165                    | \$ (211)  |

CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION<sup>(3)</sup>

| Counterparty | Index/Tranches       | Fixed Receive Rate | Payment Frequency | Maturity Date | Notional Amount <sup>(4)</sup> | Premiums Paid/(Received) | Unrealized Appreciation/(Depreciation) | Swap Agreements, at Value <sup>(5)</sup> |           |
|--------------|----------------------|--------------------|-------------------|---------------|--------------------------------|--------------------------|--|--|-----------|
|              |                      |                    |                   |               |                                |                          |  | Asset                                    | Liability |
| DUB          | CMBX.NA.AAA.8 Index  | 0.500%             | Monthly           | 10/17/2057    | \$ 800                         | \$ (42)                  | \$ 52                                  | \$ 10                                    | \$ 0      |
| GST          | CMBX.NA.AAA.8 Index  | 0.500              | Monthly           | 10/17/2057    | 300                            | (17)                     | 21                                     | 4  | 0         |
| SAL          | CMBX.NA.AAA.12 Index | 0.500              | Monthly           | 08/17/2061    | 400                            | (1)                      | 4                                      | 3  | 0         |
|              |                      |                    |                   |               |                                | \$ (60)                  | \$ 77                                  | \$ 17                                    | \$ 0      |

## TOTAL RETURN SWAPS ON COMMODITY INDICES

| Counterparty | Pay/Receive <sup>(6)</sup> | Underlying Reference           | # of Units | Financing Rate   | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/(Depreciation) | Swap Agreements, at Value |           |
|--------------|----------------------------|--------------------------------|------------|--|-------------------|---------------|-----------------|--------------------------|--|---------------------------|-----------|
|              |                            |                                |            |  |                   |               |                 |                          |  | Asset                     | Liability |
| BPS          | Receive                    | BCOMF1TC Index <sup>(9)</sup>  | 83,211     | 0.230% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | \$ 5,658        | \$ 0                     | \$ 173                                 | \$ 173                    | \$ 0      |
|              | Receive                    | BCOMTR Index                   | 78,308     | 0.210% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 12,656          | 0                        | 391                                    | 391                       | 0         |
| CBK          | Receive                    | BCOMF1TC Index                 | 421        | 0.230% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 33              | 0                        | 1                                      | 1                         | 0         |
|              | Receive                    | BCOMTR Index                   | 243,540    | 0.210% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 39,360          | 0                        | 1,217                                  | 1,217                     | 0         |
|              | Receive                    | CIXBSTR3 Index                 | 105,682    | 0.240% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 18,688          | 0                        | 584                                    | 584                       | 0         |
| CIB          | Receive                    | BCOMTR Index                   | 5,671      | 0.210% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 916             | 0                        | 28                                     | 28                        | 0         |
|              | Receive                    | PIMCODB Index                  | 24,083     | 0.000%   | Monthly           | 02/16/2021    | 2,079           | 0                        | 94                                     | 94                        | 0         |
| FBF          | Receive                    | BCOMTR Index                   | 125,200    | 0.190% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 20,234          | 0                        | 626                                    | 626                       | 0         |
| GST          | Receive                    | BCOMF1TC Index <sup>(10)</sup> | 102,940    | 0.230% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 25,934          | 0                        | 795                                    | 795                       | 0         |
|              | Receive                    | BCOMTR Index                   | 38,137     | 0.220% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 6,164           | 0                        | 191                                    | 191                       | 0         |
|              | Receive                    | CMDSKEWLS Index                | 12,736     | 0.250%   | Monthly           | 02/16/2021    | 2,229           | (5)                      | 26                                     | 21                        | 0         |
| JPM          | Receive                    | BCOMF1TC Index                 | 1,416      | 0.240% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 187             | 0                        | 6                                      | 6                         | 0         |
|              | Receive                    | BCOMTR Index                   | 115,766    | 0.220% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 18,710          | 109                      | 470                                    | 579                       | 0         |
|              | Receive                    | JMABNIC2 Index <sup>(11)</sup> | 16,387     | 0.170%   | Monthly           | 02/16/2021    | 7,396           | 0                        | 244                                    | 244                       | 0         |
|              | Receive                    | JMABFNJ2 Index                 | 24,745     | 0.000%   | Monthly           | 12/31/2021    | 2,225           | 0                        | 0                                      | 0                         | 0         |
| MAC          | Receive                    | BCOMTR Index                   | 78,211     | 0.220% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 12,640          | 0                        | 391                                    | 391                       | 0         |
|              | Receive                    | BCOMTR1 Index <sup>(12)</sup>  | 131,416    | 0.220% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 10,369          | 0                        | 321                                    | 321                       | 0         |
|              | Receive                    | PIMCODB Index                  | 24,069     | 0.000%   | Monthly           | 02/16/2021    | 2,045           | 0                        | 86                                     | 86                        | 0         |
| MEI          | Receive                    | BCOMTR2 Index <sup>(13)</sup>  | 292,026    | 0.210% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 35,178          | 0                        | 1,098                                  | 1,098                     | 0         |
| MYC          | Receive                    | BCOMTR Index                   | 427,152    | 0.200% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 69,035          | 0                        | 2,135                                  | 2,135                     | 0         |
|              | Receive                    | BCOMTR1 Index <sup>(14)</sup>  | 80,105     | 0.240% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 37,230          | 0                        | 1,151                                  | 1,151                     | 0         |

## Consolidated Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio (Cont.)

| Counterparty | Pay/Receive <sup>(6)</sup> | Underlying Reference | # of Units | Financing Rate   | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/(Depreciation) | Swap Agreements, at Value |           |
|--------------|----------------------------|----------------------|------------|--|-------------------|---------------|-----------------|--------------------------|--|---------------------------|-----------|
|              |                            |                      |            |  |                   |               |                 |                          |  | Asset                     | Liability |
| RBC          | Receive                    | RBCAECOT Index       | 50,266     | 0.190% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | \$ 2,765        | \$ 0                     | \$ 85                                  | \$ 85                     | \$ 0      |
| SOG          | Receive                    | BCOMTR Index         | 2,272      | 0.220% (3-Month U.S. Treasury Bill rate plus a specified spread) | Monthly           | 02/16/2021    | 367             | 0                        | 11                                     | 11                        | 0         |
|              |                            |                      |            |  |                   |               |                 | \$ 104                   | \$ 10,124                              | \$ 10,228                 | \$ 0      |

### VOLATILITY SWAPS

| Counterparty                 | Pay/Receive Volatility | Reference Entity              | Volatility Strike | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/(Depreciation) | Swap Agreements, at Value |                 |
|------------------------------|------------------------|-------------------------------|-------------------|-------------------|---------------|-----------------|--------------------------|--|---------------------------|-----------------|
|                              |                        |                               |                   |                   |               |                 |                          |  | Asset                     | Liability       |
| BPS                          | Pay                    | GOLDLNPM Index <sup>(7)</sup> | 4.973%            | Maturity          | 05/13/2021    | \$ 135          | \$ 0                     | \$ 1                                   | \$ 1                      | \$ 0            |
| JPM                          | Pay                    | GOLDLNPM Index <sup>(7)</sup> | 6.970             | Maturity          | 08/02/2024    | 67              | 0                        | 1                                      | 1                         | 0               |
| UAG                          | Pay                    | GOLDLNPM Index <sup>(7)</sup> | 5.153             | Maturity          | 12/05/2022    | 176             | 0                        | (1)                                    | 0                         | (1)             |
|                              |                        |                               |                   |                   |               |                 | \$ 0                     | \$ 1                                   | \$ 2                      | \$ (1)          |
| <b>Total Swap Agreements</b> |                        |                               |                   |                   |               |                 | <b>\$ (47)</b>           | <b>\$ 10,247</b>                       | <b>\$ 10,412</b>          | <b>\$ (212)</b> |

### FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of December 31, 2020:

| Counterparty                  | Financial Derivative Assets        |                   |                  |                        | Financial Derivative Liabilities   |                 |                 |                        | Net Market Value of OTC Derivatives | Collateral Pledged/(Received) | Net Exposure <sup>(8)</sup> |
|-------------------------------|------------------------------------|-------------------|------------------|------------------------|------------------------------------|-----------------|-----------------|------------------------|-------------------------------------|-------------------------------|-----------------------------|
|                               | Forward Foreign Currency Contracts | Purchased Options | Swap Agreements  | Total Over the Counter | Forward Foreign Currency Contracts | Written Options | Swap Agreements | Total Over the Counter |                                     |                               |                             |
| BOA                           | \$ 17                              | \$ 2              | \$ 0             | \$ 19                  | \$ (18)                            | \$ (1)          | \$ 0            | \$ (19)                | \$ 0                                | \$ 0                          | \$ 0                        |
| BPS                           | 3                                  | 146               | 565              | 714                    | (168)                              | (145)           | (10)            | (323)                  | 391                                 | (280)                         | 111                         |
| BRC                           | 0                                  | 41                | 0                | 41                     | 0                                  | (39)            | 0               | (39)                   | 2                                   | 0                             | 2                           |
| CBK                           | 1                                  | 0                 | 1,802            | 1,803                  | (67)                               | 0               | (7)             | (74)                   | 1,729                               | (1,436)                       | 293                         |
| CIB                           | 0                                  | 0                 | 123              | 123                    | 0                                  | 0               | 0               | 0                      | 123                                 | 0                             | 123                         |
| DUB                           | 0                                  | 0                 | 10               | 10                     | 0                                  | 0               | 0               | 0                      | 10                                  | (10)                          | 0                           |
| FBF                           | 0                                  | 0                 | 626              | 626                    | 0                                  | 0               | 0               | 0                      | 626                                 | (310)                         | 316                         |
| GLM                           | 16                                 | 0                 | 0                | 16                     | (14)                               | (28)            | 0               | (42)                   | (26)                                | 0                             | (26)                        |
| GST                           | 0                                  | 0                 | 1,067            | 1,067                  | 0                                  | (2)             | (58)            | (60)                   | 1,007                               | (540)                         | 467                         |
| HUS                           | 14                                 | 1                 | 0                | 15                     | (285)                              | 0               | 0               | (285)                  | (270)                               | 0                             | (270)                       |
| IND                           | 1                                  | 0                 | 0                | 1                      | 0                                  | 0               | 0               | 0                      | 1                                   | 0                             | 1                           |
| JPM                           | 0                                  | 0                 | 844              | 844                    | (18)                               | (3)             | (85)            | (106)                  | 738                                 | (578)                         | 160                         |
| MAC                           | 0                                  | 0                 | 836              | 836                    | 0                                  | 0               | (6)             | (6)                    | 830                                 | (690)                         | 140                         |
| MEI                           | 0                                  | 0                 | 1,147            | 1,147                  | 0                                  | 0               | (44)            | (44)                   | 1,103                               | (890)                         | 213                         |
| MYC                           | 0                                  | 104               | 3,293            | 3,397                  | 0                                  | (59)            | (1)             | (60)                   | 3,337                               | (5,255)                       | (1,918)                     |
| MYI                           | 0                                  | 0                 | 0                | 0                      | (6)                                | 0               | 0               | (6)                    | (6)                                 | 85                            | 79                          |
| RBC                           | 0                                  | 0                 | 85               | 85                     | 0                                  | 0               | 0               | 0                      | 85                                  | 0                             | 85                          |
| SAL                           | 0                                  | 0                 | 3                | 3                      | 0                                  | (6)             | 0               | (6)                    | (3)                                 | 0                             | (3)                         |
| SCX                           | 43                                 | 0                 | 0                | 43                     | (421)                              | 0               | 0               | (421)                  | (378)                               | 501                           | 123                         |
| SOG                           | 0                                  | 0                 | 11               | 11                     | 0                                  | 0               | 0               | 0                      | 11                                  | 0                             | 11                          |
| TOR                           | 1                                  | 0                 | 0                | 1                      | (33)                               | 0               | 0               | (33)                   | (32)                                | 0                             | (32)                        |
| UAG                           | 0                                  | 0                 | 0                | 0                      | 0                                  | 0               | (1)             | (1)                    | (1)                                 | 0                             | (1)                         |
| <b>Total Over the Counter</b> | <b>\$ 96</b>                       | <b>\$ 294</b>     | <b>\$ 10,412</b> | <b>\$ 10,802</b>       | <b>\$ (1,030)</b>                  | <b>\$ (283)</b> | <b>\$ (212)</b> | <b>\$ (1,525)</b>      |                                     |                               |                             |

(m) Securities with an aggregate market value of \$632 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of December 31, 2020.

(1) Notional Amount represents the number of contracts.

(2) Exercise level and final cost determined on a future date, based upon implied volatility parameters.

(3) If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

(4) The maximum potential amount the Portfolio could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

- (5) The prices and resulting values for credit default swap agreements serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the underlying referenced instrument's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (6) Receive represents that the Portfolio receives payments for any positive net return on the underlying reference. The Portfolio makes payments for any negative net return on such underlying reference. Pay represents that the Portfolio receives payments for any negative net return on the underlying reference. The Portfolio makes payments for any positive net return on such underlying reference.
- (7) Variance Swap
- (8) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.
- (9) The following table represents the individual positions within the total return swap as of December 31, 2020:

| Referenced Commodity — Long Futures Contracts | % of Index | Notional Amount |
|---|------------|-----------------|
| Aluminum March 2022 Futures                   | 4.2%       | \$ 241          |
| Arabica Coffee March 2021 Futures             | 2.6        | 145             |
| Brent Crude March 2021 Futures                | 4.8        | 271             |
| Copper March 2021 Futures                     | 7.9        | 447             |
| Corn March 2021 Futures                       | 6.6        | 375             |
| Cotton No. 02 March 2021 Futures              | 1.5        | 85              |
| Gas Oil March 2021 Futures                    | 1.6        | 91              |
| Gold 100 oz. February 2021 Futures            | 14.8       | 837             |
| Hard Red Winter Wheat March 2021 Futures      | 1.7        | 96              |
| Lean Hogs February 2021 Futures               | 1.6        | 92              |
| Live Cattle February 2021 Futures             | 3.3        | 187             |
| New York Harbor ULSD March 2021 Futures       | 1.4        | 79              |
| Nickel March 2021 Futures                     | 3.0        | 167             |
| NYMEX — Natural Gas March 2022 Futures        | 8.4        | 477             |
| RBOB Gasoline March 2021 Futures              | 1.7        | 94              |
| Silver March 2021 Futures                     | 4.9        | 277             |
| Soybean Meal March 2021 Futures               | 4.2        | 240             |
| Soybean Oil March 2021 Futures                | 3.2        | 181             |
| Soybeans March 2021 Futures                   | 7.1        | 399             |
| Sugar No. 11 March 2021 Futures               | 3.1        | 175             |
| Wheat March 2021 Futures                      | 3.2        | 181             |
| WTI Crude March 2021 Futures                  | 5.6        | 317             |
| Zinc March 2021 Futures                       | 3.6        | 204             |
| Total Long Futures Contracts                  |            | \$ 5,658        |
| <b>Total Notional Amount</b>                  |            | <b>\$ 5,658</b> |

- (10) The following table represents the individual positions within the total return swap as of December 31, 2020:

| Referenced Commodity — Long Futures Contracts | % of Index | Notional Amount  |
|---|------------|------------------|
| Aluminum March 2022 Futures                   | 4.2%       | \$ 1,104         |
| Arabica Coffee March 2021 Futures             | 2.6        | 665              |
| Brent Crude March 2021 Futures                | 4.8        | 1,244            |
| Copper March 2021 Futures                     | 7.9        | 2,051            |
| Corn March 2021 Futures                       | 6.6        | 1,717            |
| Cotton No. 02 March 2021 Futures              | 1.5        | 390              |
| Gas Oil March 2021 Futures                    | 1.6        | 418              |
| Gold 100 oz. February 2021 Futures            | 14.8       | 3,835            |
| Hard Red Winter Wheat March 2021 Futures      | 1.7        | 442              |
| Lean Hogs February 2021 Futures               | 1.6        | 422              |
| Live Cattle February 2021 Futures             | 3.3        | 855              |
| New York Harbor ULSD March 2021 Futures       | 1.4        | 362              |
| Nickel March 2021 Futures                     | 3.0        | 767              |
| NYMEX — Natural Gas March 2022 Futures        | 8.4        | 2,184            |
| RBOB Gasoline March 2021 Futures              | 1.7        | 431              |
| Silver March 2021 Futures                     | 4.9        | 1,269            |
| Soybean Meal March 2021 Futures               | 4.2        | 1,098            |
| Soybean Oil March 2021 Futures                | 3.2        | 828              |
| Soybeans March 2021 Futures                   | 7.1        | 1,831            |
| Sugar No. 11 March 2021 Futures               | 3.1        | 802              |
| Wheat March 2021 Futures                      | 3.2        | 828              |
| WTI Crude March 2021 Futures                  | 5.6        | 1,454            |
| Zinc March 2021 Futures                       | 3.6        | 937              |
| Total Long Futures Contracts                  |            | \$ 25,934        |
| <b>Total Notional Amount</b>                  |            | <b>\$ 25,934</b> |

## Consolidated Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio (Cont.)

(11) The following table represents the individual positions within the total return swap as of December 31, 2020:

| Referenced Commodity — Long Futures Contracts | % of Index | Notional Amount |
|---|------------|-----------------|
| Brent Crude May 2021 Futures                  | 10.8%      | \$ 797          |
| Copper May 2021 Futures                       | 10.3       | 758             |
| Gas Oil May 2021 Futures                      | 4.3        | 315             |
| Gold 100 oz. April 2021 Futures               | 16.0       | 1,186           |
| Lean Hogs April 2021 Futures                  | 0.9        | 64              |
| Live Cattle April 2021 Futures                | 1.8        | 132             |
| RBOB Gasoline May 2021 Futures                | 6.2        | 462             |
| New York Harbor ULSD May 2021 Futures         | 4.3        | 319             |
| Nickel May 2021 Futures                       | 10.1       | 749             |
| Silver May 2021 Futures                       | 5.3        | 393             |
| Soybean Meal May 2021 Futures                 | 8.3        | 617             |
| Soybeans May 2021 Futures                     | 19.7       | 1,456           |
| Sugar No. 11 May 2021 Futures                 | 2.0        | 148             |
| Total Long Futures Contracts                  |            | \$ 7,396        |
| <b>Total Notional Amount</b>                  |            | <b>\$ 7,396</b> |

(12) The following table represents the individual positions within the total return swap as of December 31, 2020:

| Referenced Commodity — Long Futures Contracts | % of Index | Notional Amount  |
|---|------------|------------------|
| Aluminum March 2022 Futures                   | 4.3%       | \$ 442           |
| Arabica Coffee March 2021 Futures             | 2.6        | 266              |
| Brent Crude March 2021 Futures                | 4.8        | 497              |
| Copper March 2021 Futures                     | 7.9        | 820              |
| Corn March 2021 Futures                       | 6.6        | 687              |
| Cotton No. 02 March 2021 Futures              | 1.5        | 156              |
| Gas Oil March 2021 Futures                    | 1.6        | 167              |
| Gold 100 oz. February 2021 Futures            | 14.8       | 1,533            |
| Hard Red Winter Wheat March 2021 Futures      | 1.7        | 177              |
| Lean Hogs February 2021 Futures               | 1.6        | 169              |
| Live Cattle February 2021 Futures             | 3.3        | 342              |
| New York Harbor ULSD March 2021 Futures       | 1.4        | 144              |
| Nickel March 2021 Futures                     | 2.9        | 307              |
| NYMEX — Natural Gas March 2022 Futures        | 8.4        | 873              |
| RBOB Gasoline March 2021 Futures              | 1.7        | 172              |
| Silver March 2021 Futures                     | 4.9        | 507              |
| Soybean Meal March 2021 Futures               | 4.2        | 439              |
| Soybean Oil March 2021 Futures                | 3.2        | 331              |
| Soybeans March 2021 Futures                   | 7.1        | 732              |
| Sugar No. 11 March 2021 Futures               | 3.1        | 321              |
| Wheat March 2021 Futures                      | 3.2        | 331              |
| WTI Crude March 2021 Futures                  | 5.6        | 581              |
| Zinc March 2021 Futures                       | 3.6        | 375              |
| Total Long Futures Contracts                  |            | \$ 10,369        |
| <b>Total Notional Amount</b>                  |            | <b>\$ 10,369</b> |



(13) The following table represents the individual positions within the total return swap as of December 31, 2020:

| <b>Referenced Commodity — Long Futures Contracts</b> | <b>% of Index</b> | <b>Notional Amount</b> |
|--|-------------------|------------------------|
| Aluminum March 2022 Futures                          | 4.2%              | \$ 1,498               |
| Arabica Coffee March 2021 Futures                    | 2.6               | 902                    |
| Brent Crude March 2021 Futures                       | 4.8               | 1,687                  |
| Copper March 2021 Futures                            | 7.9               | 2,782                  |
| Corn March 2021 Futures                              | 6.6               | 2,330                  |
| Cotton No. 02 March 2021 Futures                     | 1.5               | 529                    |
| Gas Oil March 2021 Futures                           | 1.6               | 567                    |
| Gold 100 oz. February 2021 Futures                   | 14.8              | 5,202                  |
| Hard Red Winter Wheat March 2021 Futures             | 1.7               | 599                    |
| Lean Hogs February 2021 Futures                      | 1.6               | 573                    |
| Live Cattle February 2021 Futures                    | 3.3               | 1,160                  |
| New York Harbor ULSD March 2021 Futures              | 1.4               | 490                    |
| Nickel March 2021 Futures                            | 3.0               | 1,041                  |
| NYMEX — Natural Gas March 2022 Futures               | 8.4               | 2,963                  |
| RBOB Gasoline March 2021 Futures                     | 1.7               | 585                    |
| Silver March 2021 Futures                            | 4.9               | 1,721                  |
| Soybean Meal March 2021 Futures                      | 4.2               | 1,490                  |
| Soybean Oil March 2021 Futures                       | 3.2               | 1,122                  |
| Soybeans March 2021 Futures                          | 7.1               | 2,483                  |
| Sugar No. 11 March 2021 Futures                      | 3.1               | 1,088                  |
| Wheat March 2021 Futures                             | 3.2               | 1,123                  |
| WTI Crude March 2021 Futures                         | 5.6               | 1,972                  |
| Zinc March 2021 Futures                              | 3.6               | 1,271                  |
| Total Long Futures Contracts                         |                   | \$ 35,178              |
| <b>Total Notional Amount</b>                         |                   | <b>\$ 35,178</b>       |

(14) The following table represents the individual positions within the total return swap as of December 31, 2020:

| <b>Referenced Commodity — Long Futures Contracts</b> | <b>% of Index</b> | <b>Notional Amount</b> |
|--|-------------------|------------------------|
| Aluminum March 2022 Futures                          | 4.2%              | \$ 1,585               |
| Arabica Coffee March 2021 Futures                    | 2.6               | 954                    |
| Brent Crude March 2021 Futures                       | 4.8               | 1,785                  |
| Copper March 2021 Futures                            | 7.9               | 2,944                  |
| Corn March 2021 Futures                              | 6.6               | 2,465                  |
| Cotton No. 02 March 2021 Futures                     | 1.5               | 560                    |
| Gas Oil March 2021 Futures                           | 1.6               | 600                    |
| Gold 100 oz. February 2021 Futures                   | 14.8              | 5,506                  |
| Hard Red Winter Wheat March 2021 Futures             | 1.7               | 634                    |
| Lean Hogs February 2021 Futures                      | 1.6               | 606                    |
| Live Cattle February 2021 Futures                    | 3.3               | 1,227                  |
| New York Harbor ULSD March 2021 Futures              | 1.4               | 519                    |
| Nickel March 2021 Futures                            | 3.0               | 1,102                  |
| NYMEX — Natural Gas March 2022 Futures               | 8.4               | 3,136                  |
| RBOB Gasoline March 2021 Futures                     | 1.7               | 619                    |
| Silver March 2021 Futures                            | 4.9               | 1,822                  |
| Soybean Meal March 2021 Futures                      | 4.2               | 1,577                  |
| Soybean Oil March 2021 Futures                       | 3.2               | 1,188                  |
| Soybeans March 2021 Futures                          | 7.1               | 2,628                  |
| Sugar No. 11 March 2021 Futures                      | 3.1               | 1,152                  |
| Wheat March 2021 Futures                             | 3.2               | 1,189                  |
| WTI Crude March 2021 Futures                         | 5.6               | 2,087                  |
| Zinc March 2021 Futures                              | 3.6               | 1,345                  |
| Total Long Futures Contracts                         |                   | \$ 37,230              |
| <b>Total Notional Amount</b>                         |                   | <b>\$ 37,230</b>       |

# Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio (Cont.)

## FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

The following is a summary of the fair valuation of the Portfolio's derivative instruments categorized by risk exposure. See Note 7, Principal and Other Risks, in the Notes to Financial Statements on risks of the Portfolio.

Fair Values of Financial Derivative Instruments on the Consolidated Statement of Assets and Liabilities as of December 31, 2020:

|   | Derivatives not accounted for as hedging instruments |                  |                  |                            |                         | Total     |
|---|--|------------------|------------------|----------------------------|-------------------------|-----------|
|   | Commodity Contracts                                  | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts |           |
| <b>Financial Derivative Instruments - Assets</b>      |  |                  |                  |                            |                         |           |
| Exchange-traded or centrally cleared                  |  |                  |                  |                            |                         |           |
| Futures   | \$ 140   | \$ 0             | \$ 0             | \$ 0                       | \$ 48                   | \$ 188    |
| Swap Agreements                                       | 0  | 0                | 0                | 0                          | 20                      | 20        |
|   | \$ 140   | \$ 0             | \$ 0             | \$ 0                       | \$ 68                   | \$ 208    |
| Over the counter                                      |  |                  |                  |                            |                         |           |
| Forward Foreign Currency Contracts                    | \$ 0   | \$ 0             | \$ 0             | \$ 96                      | \$ 0                    | \$ 96     |
| Purchased Options                                     | 0  | 0                | 0                | 1                          | 293                     | 294       |
| Swap Agreements                                       | 10,395   | 17               | 0                | 0                          | 0                       | 10,412    |
|   | \$ 10,395  | \$ 17            | \$ 0             | \$ 97                      | \$ 293                  | \$ 10,802 |
|   | \$ 10,535  | \$ 17            | \$ 0             | \$ 97                      | \$ 361                  | \$ 11,010 |
| <b>Financial Derivative Instruments - Liabilities</b> |  |                  |                  |                            |                         |           |
| Exchange-traded or centrally cleared                  |  |                  |                  |                            |                         |           |
| Written Options                                       | \$ 206   | \$ 0             | \$ 0             | \$ 0                       | \$ 0                    | \$ 206    |
| Futures   | 189  | 0                | 0                | 0                          | 155                     | 344       |
| Swap Agreements                                       | 0  | 8                | 0                | 0                          | 110                     | 118       |
|   | \$ 395   | \$ 8             | \$ 0             | \$ 0                       | \$ 265                  | \$ 668    |
| Over the counter                                      |  |                  |                  |                            |                         |           |
| Forward Foreign Currency Contracts                    | \$ 0   | \$ 0             | \$ 0             | \$ 1,030                   | \$ 0                    | \$ 1,030  |
| Written Options                                       | 0  | 12               | 0                | 0                          | 271                     | 283       |
| Swap Agreements                                       | 212  | 0                | 0                | 0                          | 0                       | 212       |
|   | \$ 212   | \$ 12            | \$ 0             | \$ 1,030                   | \$ 271                  | \$ 1,525  |
|   | \$ 607   | \$ 20            | \$ 0             | \$ 1,030                   | \$ 536                  | \$ 2,193  |

The effect of Financial Derivative Instruments on the Consolidated Statement of Operations for the period ended December 31, 2020:

|   | Derivatives not accounted for as hedging instruments |                  |                  |                            |                         | Total       |
|---|--|------------------|------------------|----------------------------|-------------------------|-------------|
|   | Commodity Contracts                                  | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts |             |
| <b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>                             |  |                  |                  |                            |                         |             |
| Exchange-traded or centrally cleared  |  |                  |                  |                            |                         |             |
| Purchased Options   | \$ (55)  | \$ 0             | \$ 0             | \$ 0                       | \$ 32                   | \$ (23)     |
| Written Options   | 325  | 0                | 0                | 0                          | 0                       | 325         |
| Futures   | (15)   | 0                | 0                | 0                          | (3,080)                 | (3,095)     |
| Swap Agreements   | 0  | 407              | 0                | 0                          | (1,775)                 | (1,368)     |
|   | \$ 255   | \$ 407           | \$ 0             | \$ 0                       | \$ (4,823)              | \$ (4,161)  |
| Over the counter  |  |                  |                  |                            |                         |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0             | \$ 0             | \$ (2,123)                 | \$ 0                    | \$ (2,123)  |
| Purchased Options   | 0  | (2)              | 0                | 0                          | 851                     | 849         |
| Written Options   | (30)   | 61               | 0                | 0                          | (310)                   | (279)       |
| Swap Agreements   | (17,536)   | (54)             | 0                | 0                          | (2,183)                 | (19,773)    |
|   | \$ (17,566)  | \$ 5             | \$ 0             | \$ (2,123)                 | \$ (1,642)              | \$ (21,326) |
|   | \$ (17,311)  | \$ 412           | \$ 0             | \$ (2,123)                 | \$ (6,465)              | \$ (25,487) |
| <b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b> |  |                  |                  |                            |                         |             |
| Exchange-traded or centrally cleared  |  |                  |                  |                            |                         |             |
| Purchased Options   | \$ 114   | \$ 0             | \$ 0             | \$ 0                       | \$ 4                    | \$ 118      |
| Written Options   | 12   | 0                | 0                | 0                          | 0                       | 12          |
| Futures   | 364  | 0                | 0                | 0                          | 516                     | 880         |
| Swap Agreements   | 0  | 201              | 0                | 0                          | 818                     | 1,019       |
|   | \$ 490   | \$ 201           | \$ 0             | \$ 0                       | \$ 1,338                | \$ 2,029    |
| Over the counter  |  |                  |                  |                            |                         |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0             | \$ 0             | \$ (455)                   | \$ 0                    | \$ (455)    |
| Purchased Options   | 0  | 0                | 0                | (61)                       | 316                     | 255         |
| Written Options   | (28)   | 4                | 0                | 0                          | (498)                   | (522)       |
| Swap Agreements   | 7,060  | 63               | 0                | 0                          | 1,449                   | 8,572       |
|   | \$ 7,032   | \$ 67            | \$ 0             | \$ (516)                   | \$ 1,267                | \$ 7,850    |
|   | \$ 7,522   | \$ 268           | \$ 0             | \$ (516)                   | \$ 2,605                | \$ 9,879    |

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of December 31, 2020 in valuing the Portfolio's assets and liabilities:

| Category and Subcategory                   | Level 1 | Level 2    | Level 3 | Fair                   | Category and Subcategory                               | Level 1  | Level 2    | Level 3 | Fair                   |
|--|---------|------------|---------|------------------------|--|----------|------------|---------|------------------------|
|  |         |            |         | Value at<br>12/31/2020 |  |          |            |         | Value at<br>12/31/2020 |
| <b>Investments in Securities, at Value</b> |         |            |         |                        | <b>Central Funds Used for Cash Management Purposes</b> |          |            |         |                        |
| Corporate Bonds & Notes                    |         |            |         |                        | \$ 5,925   | \$ 0     | \$ 0       | \$ 0    | \$ 5,925               |
| Banking & Finance                          | \$ 0    | \$ 11,075  | \$ 0    | \$ 11,075              |  |          |            |         |                        |
| Industrials                                | 0       | 7,338      | 0       | 7,338                  |  |          |            |         |                        |
| Utilities                                  | 0       | 2,229      | 0       | 2,229                  |  |          |            |         |                        |
| U.S. Government Agencies                   | 0       | 49,105     | 0       | 49,105                 |  |          |            |         |                        |
| U.S. Treasury Obligations                  | 0       | 296,896    | 0       | 296,896                |  |          |            |         |                        |
| Non-Agency Mortgage-Backed Securities      | 0       | 9,978      | 0       | 9,978                  |  |          |            |         |                        |
| Asset-Backed Securities                    | 0       | 23,011     | 0       | 23,011                 |  |          |            |         |                        |
| Sovereign Issues                           | 0       | 38,104     | 0       | 38,104                 |  |          |            |         |                        |
| Preferred Securities                       |         |            |         |                        |  |          |            |         |                        |
| Banking & Finance                          | 0       | 260        | 0       | 260                    |  |          |            |         |                        |
| Short-Term Instruments                     |         |            |         |                        |  |          |            |         |                        |
| Repurchase Agreements                      | 0       | 86,476     | 0       | 86,476                 |  |          |            |         |                        |
| Argentina Treasury Bills                   | 0       | 80         | 0       | 80                     |  |          |            |         |                        |
| U.S. Treasury Bills                        | 0       | 2,341      | 0       | 2,341                  |  |          |            |         |                        |
|  | \$ 0    | \$ 526,893 | \$ 0    | \$ 526,893             |  |          |            |         |                        |
| <b>Investments in Affiliates, at Value</b> |         |            |         |                        | <b>Financial Derivative Instruments - Assets</b>       |          |            |         |                        |
| Short-Term Instruments                     |         |            |         |                        | Exchange-traded or centrally cleared                   | 184      | 20         | 0       | 204                    |
|  |         |            |         |                        | Over the counter                                       | 0        | 10,802     | 0       | 10,802                 |
|  |         |            |         |                        |  | \$ 184   | \$ 10,822  | \$ 0    | \$ 11,006              |
|  |         |            |         |                        | <b>Financial Derivative Instruments - Liabilities</b>  |          |            |         |                        |
|  |         |            |         |                        | Exchange-traded or centrally cleared                   | (550)    | (118)      | 0       | (668)                  |
|  |         |            |         |                        | Over the counter                                       | 0        | (1,524)    | (1)     | (1,525)                |
|  |         |            |         |                        |  | \$ (550) | \$ (1,642) | \$ (1)  | \$ (2,193)             |
|  |         |            |         |                        | Total Financial Derivative Instruments                 | \$ (366) | \$ 9,180   | \$ (1)  | \$ 8,813               |
|  |         |            |         |                        | Totals   | \$ 5,559 | \$ 536,073 | \$ (1)  | \$ 541,631             |

There were no significant transfers into or out of Level 3 during the period ended December 31, 2020.

### 1. ORGANIZATION

PIMCO Variable Insurance Trust (the "Trust") is a Delaware statutory trust established under a trust instrument dated October 3, 1997. The Trust is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust is designed to be used as an investment vehicle by separate accounts of insurance companies that fund variable annuity contracts and variable life insurance policies and by qualified pension and retirement plans. Information presented in these financial statements pertains to the Institutional Class, Class M, Administrative Class and Advisor Class shares of the PIMCO CommodityRealReturn<sup>®</sup> Strategy Portfolio (the "Portfolio") offered by the Trust. Pacific Investment Management Company LLC ("PIMCO") serves as the investment adviser (the "Adviser") for the Portfolio.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Portfolio in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Portfolio is treated as an investment company under the reporting requirements of U.S. GAAP. The functional and reporting currency for the Portfolio is the U.S. dollar. The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

**(a) Securities Transactions and Investment Income** Securities transactions are recorded as of the trade date for financial reporting purposes. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled beyond a standard settlement period for the security after the trade date. Realized gains (losses) from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Portfolio is informed of the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis from settlement date, with the exception of securities with a forward starting effective date, where interest income is recorded on the accrual basis from effective date. For convertible securities, premiums attributable to the conversion feature are not amortized. Estimated tax liabilities on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized appreciation (depreciation) on investments on the Consolidated

Statement of Operations, as appropriate. Tax liabilities realized as a result of such security sales are reflected as a component of net realized gain (loss) on investments on the Consolidated Statement of Operations. Paydown gains (losses) on mortgage-related and other asset-backed securities, if any, are recorded as components of interest income on the Consolidated Statement of Operations. Income or short-term capital gain distributions received from registered investment companies, if any, are recorded as dividend income. Long-term capital gain distributions received from registered investment companies, if any, are recorded as realized gains.

Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivable when the collection of all or a portion of interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is probable.

**(b) Foreign Currency Translation** The market values of foreign securities, currency holdings and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the current exchange rates each business day. Purchases and sales of securities and income and expense items denominated in foreign currencies, if any, are translated into U.S. dollars at the exchange rate in effect on the transaction date. The Portfolio does not separately report the effects of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized gain (loss) and net change in unrealized appreciation (depreciation) from investments on the Consolidated Statement of Operations. The Portfolio may invest in foreign currency-denominated securities and may engage in foreign currency transactions either on a spot (cash) basis at the rate prevailing in the currency exchange market at the time or through a forward foreign currency contract. Realized foreign exchange gains (losses) arising from sales of spot foreign currencies, currency gains (losses) realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid are included in net realized gain (loss) on foreign currency transactions on the Consolidated Statement of Operations. Net unrealized foreign exchange gains (losses) arising from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period are included in net change in unrealized appreciation (depreciation) on foreign currency assets and liabilities on the Consolidated Statement of Operations.

**(c) Multi-Class Operations** Each class offered by the Trust has equal rights as to assets and voting privileges (except that shareholders of a

class have exclusive voting rights regarding any matter relating solely to that class of shares). Income and non-class specific expenses are allocated daily to each class on the basis of the relative net assets. Realized and unrealized capital gains (losses) are allocated daily based on the relative net assets of each class of the Portfolio. Class specific expenses, where applicable, currently include supervisory and administrative and distribution and servicing fees. Under certain circumstances, the per share net asset value ("NAV") of a class of the Portfolio's shares may be different from the per share NAV of another class of shares as a result of the different daily expense accruals applicable to each class of shares.

**(d) Distributions to Shareholders** Distributions from net investment income, if any, are declared and distributed to shareholders quarterly. In addition, the Portfolio distributes any net capital gains it earns from the sale of portfolio securities to shareholders no less frequently than annually.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP. Differences between tax regulations and U.S. GAAP may cause timing differences between income and capital gain recognition. Further, the character of investment income and capital gains may be different for certain transactions under the two methods of accounting. As a result, income distributions and capital gain distributions declared during a fiscal period may differ significantly from the net investment income (loss) and realized gains (losses) reported on the Portfolio's annual financial statements presented under U.S. GAAP.

Separately, if the Portfolio determines that a portion of a distribution may be comprised of amounts from capital gains, paid in capital, or other capital sources in accordance with its policies, accounting records, and accounting practices, the Portfolio will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. For these purposes, the Portfolio determines the source or sources from which a distribution is paid, to the close of the period as of which it is paid, in reference to its internal accounting records and related accounting practices. If, based on such accounting records and practices, it is determined that a particular distribution does not include capital gains or paid-in surplus or other capital sources, a Section 19 Notice generally would not be issued. It is important to note that differences exist between the Portfolio's daily internal accounting records and practices, the Portfolio's financial statements presented in accordance with U.S. GAAP, and recordkeeping practices under income tax regulations. For instance, the Portfolio's internal accounting records and practices may take into account, among other factors, tax-related characteristics of certain sources of distributions that differ from treatment under U.S. GAAP. Examples of such differences may include, among others, the treatment of periodic payments under interest rate swap contracts. Accordingly, among other consequences, it is possible

that the Portfolio may not issue a Section 19 Notice in situations where the Portfolio's financial statements prepared later and in accordance with U.S. GAAP and/or the final tax character of those distributions might later report that the sources of those distributions included capital gains and/or a return of capital. Please visit [www.pimco.com](http://www.pimco.com) for the most recent Section 19 Notice, if applicable, for additional information regarding the estimated composition of distributions. Final determination of a distribution's tax character will be provided to shareholders when such information is available.

Distributions classified as a tax basis return of capital at the Portfolio's fiscal year end, if any, are reflected on the Consolidated Statements of Changes in Net Assets and have been recorded to paid in capital on the Consolidated Statement of Assets and Liabilities. In addition, other amounts have been reclassified between distributable earnings (accumulated loss) and paid in capital on the Consolidated Statement of Assets and Liabilities to more appropriately conform U.S. GAAP to tax characterizations of distributions.

**(e) New Accounting Pronouncements and Regulatory Updates** In March 2020, the Financial Accounting Standards Board issued an Accounting Standards Update ("ASU"), ASU 2020-04, which provides optional guidance to ease the potential accounting burden associated with transitioning away from the London Interbank Offered Rate and other reference rates that are expected to be discontinued. The ASU is effective immediately upon release of the update on March 12, 2020 through December 31, 2022. At this time, management is evaluating implications of these changes on the financial statements.

In October 2020, the U.S. Securities and Exchange Commission ("SEC") adopted a rule related to the use of derivatives, short sales, reverse repurchase agreements and certain other transactions by registered investment companies that rescinds and withdraws the guidance of the SEC and its staff regarding asset segregation and cover transactions. Subject to certain exceptions, the rule requires funds to trade derivatives and other transactions that create future payment or delivery obligations (except reverse repurchase agreements and similar financing transactions) subject to a value-at-risk leverage limit, certain derivatives risk management program and reporting requirements. The rule went into effect on February 19, 2021 and funds will have an eighteen-month transition period to comply with the rule and related reporting requirements. At this time, management is evaluating the implications of these changes on the financial statements.

In October 2020, the SEC adopted a rule regarding the ability of a fund to invest in other funds. The rule allows a fund to acquire shares of another fund in excess of certain limitations currently imposed by the Act without obtaining individual exemptive relief from the SEC, subject to certain conditions. The rule also included the rescission of certain exemptive relief from the SEC and guidance from the SEC staff for

funds to invest in other funds. The effective date for the rule was January 19, 2021. At this time, management is evaluating the implications of these changes on the financial statements.

In December 2020, the SEC adopted a rule addressing fair valuation of fund investments. The new rule sets forth requirements for good faith determinations of fair value as well as for the performance of fair value determinations, including related oversight and reporting obligations. The new rule also defines “readily available market quotations” for purposes of the definition of “value” under the Act, and the SEC noted that this definition would apply in all contexts under the Act. The effective date for the rule is March 8, 2021. The SEC adopted an eighteen-month transition period beginning from the effective date for both the new rule and the associated new recordkeeping requirements. At this time, management is evaluating the implications of these changes on the financial statements.

### 3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

**(a) Investment Valuation Policies** The price of the Portfolio’s shares is based on the Portfolio’s NAV. The NAV of the Portfolio, or each of its share classes, as applicable, is determined by dividing the total value of portfolio investments and other assets, less any liabilities attributable to the Portfolio or class, by the total number of shares outstanding of the Portfolio or class.

On each day that the New York Stock Exchange (“NYSE”) is open, Portfolio shares are ordinarily valued as of the close of regular trading (normally 4:00 p.m., Eastern time) (“NYSE Close”). Information that becomes known to the Portfolio or its agents after the time as of which NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day. If regular trading on the NYSE closes earlier than scheduled, the Portfolio reserves the right to either (i) calculate its NAV as of the earlier closing time or (ii) calculate its NAV as of the normally scheduled close of regular trading on the NYSE for that day. The Portfolio generally does not calculate its NAV on days during which the NYSE is closed. However, if the NYSE is closed on a day it would normally be open for business, the Portfolio reserves the right to calculate its NAV as of the normally scheduled close of regular trading on the NYSE for that day or such other time that the Portfolio may determine.

For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the Portfolio’s approved

pricing services, quotation reporting systems and other third-party sources (together, “Pricing Services”). The Portfolio will normally use pricing data for domestic equity securities received shortly after the NYSE Close and does not normally take into account trading, clearances or settlements that take place after the NYSE Close. If market value pricing is used, a foreign (non-U.S.) equity security traded on a foreign exchange or on more than one exchange is typically valued using pricing information from the exchange considered by the Adviser to be the primary exchange. A foreign (non-U.S.) equity security will be valued as of the close of trading on the foreign exchange, or the NYSE Close, if the NYSE Close occurs before the end of trading on the foreign exchange. Domestic and foreign (non-U.S.) fixed income securities, non-exchange traded derivatives, and equity options are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from Pricing Services may be based on, among other things, information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Certain fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date. Exchange-traded options, except equity options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Swap agreements are valued on the basis of bid quotes obtained from brokers and dealers or market-based prices supplied by Pricing Services. The Portfolio’s investments in open-end management investment companies, other than exchange-traded funds (“ETFs”), are valued at the NAVs of such investments. Open-end management investment companies may include affiliated funds.

If a foreign (non-U.S.) equity security’s value has materially changed after the close of the security’s primary exchange or principal market but before the NYSE Close, the security may be valued at fair value based on procedures established and approved by the Board of Trustees of the Trust (the “Board”). Foreign (non-U.S.) equity securities that do not trade when the NYSE is open are also valued at fair value. With respect to foreign (non-U.S.) equity securities, the Portfolio may determine the fair value of investments based on information provided by Pricing Services and other third-party vendors, which may recommend fair value or adjustments with reference to other securities, indices or assets. In considering whether fair valuation is required and in determining fair values, the Portfolio may, among other things, consider significant events (which may be considered to include changes in the value of U.S. securities or securities indices) that occur after the close of the relevant market and before the NYSE Close. The Portfolio may utilize modeling tools provided by third-party vendors to determine fair values of foreign (non-U.S.) securities. For these purposes, any movement in the applicable reference index or

instrument (“zero trigger”) between the earlier close of the applicable foreign market and the NYSE Close may be deemed to be a significant event, prompting the application of the pricing model (effectively resulting in daily fair valuations). Foreign exchanges may permit trading in foreign (non-U.S.) equity securities on days when the Trust is not open for business, which may result in the Portfolio’s portfolio investments being affected when shareholders are unable to buy or sell shares.

Senior secured floating rate loans for which an active secondary market exists to a reliable degree are valued at the mean of the last available bid/ask prices in the market for such loans, as provided by a Pricing Service. Senior secured floating rate loans for which an active secondary market does not exist to a reliable degree are valued at fair value, which is intended to approximate market value. In valuing a senior secured floating rate loan at fair value, the factors considered may include, but are not limited to, the following: (a) the creditworthiness of the borrower and any intermediate participants, (b) the terms of the loan, (c) recent prices in the market for similar loans, if any, and (d) recent prices in the market for instruments of similar quality, rate, period until next interest rate reset and maturity.

Investments valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from Pricing Services. As a result, the value of such investments and, in turn, the NAV of the Portfolio’s shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of investments traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the Trust is not open for business. As a result, to the extent that the Portfolio holds foreign (non-U.S.) investments, the value of those investments may change at times when shareholders are unable to buy or sell shares and the value of such investments will be reflected in the Portfolio’s next calculated NAV.

Investments for which market quotes or market based valuations are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction. The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated to the Adviser the responsibility for applying the fair valuation methods. In the event that market quotes or market based valuations are not readily available, and the security or asset cannot be valued pursuant to a Board approved valuation method, the value of the security or asset will be determined in good faith by the Board. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, indicative market quotations (“Broker Quotes”), Pricing Services’ prices), including where

events occur after the close of the relevant market, but prior to the NYSE Close, that materially affect the values of the Portfolio’s securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available. The Board has delegated, to the Adviser, the responsibility for monitoring significant events that may materially affect the values of the Portfolio’s securities or assets and for determining whether the value of the applicable securities or assets should be reevaluated in light of such significant events.

When the Portfolio uses fair valuation to determine the value of a portfolio security or other asset for purposes of calculating its NAV, such investments will not be priced on the basis of quotes from the primary market in which they are traded, but rather may be priced by another method that the Board or persons acting at their direction believe reflects fair value. Fair valuation may require subjective determinations about the value of a security. While the Trust’s policy is intended to result in a calculation of the Portfolio’s NAV that fairly reflects security values as of the time of pricing, the Trust cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that the Portfolio could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Portfolio may differ from the value that would be realized if the securities were sold. The Portfolio’s use of fair valuation may also help to deter “stale price arbitrage” as discussed under the “Frequent or Excessive Purchases, Exchanges and Redemptions” section in the Portfolio’s prospectus.

**(b) Fair Value Hierarchy** U.S. GAAP describes fair value as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy that prioritizes inputs to valuation methods and requires disclosure of the fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Level 1, 2, or 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

- Level 1 — Quoted prices in active markets or exchanges for identical assets and liabilities.
- Level 2 — Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted

prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

- Level 3 — Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

In accordance with the requirements of U.S. GAAP, the amounts of transfers into and out of Level 3, if material, are disclosed in the Notes to Consolidated Schedule of Investments for the Portfolio.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to realized gain (loss), unrealized appreciation (depreciation), purchases and sales, accrued discounts (premiums), and transfers into and out of the Level 3 category during the period. The end of period value is used for the transfers between Levels of the Portfolio's assets and liabilities.

Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy.

In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Consolidated Schedule of Investments for the Portfolio.

### (c) Valuation Techniques and the Fair Value Hierarchy

**Level 1 and Level 2 trading assets and trading liabilities, at fair value** The valuation methods (or "techniques") and significant inputs used in determining the fair values of portfolio securities or other assets and liabilities categorized as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The Pricing Services' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Fixed income securities purchased on a delayed-delivery basis or as a repurchase commitment in a sale-buyback transaction are marked to market daily until settlement at the forward settlement date and are categorized as Level 2 of the fair value hierarchy.

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporate deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Common stocks, ETFs, exchange-traded notes and financial derivative instruments, such as futures contracts, rights and warrants, or options on futures that are traded on a national securities exchange, are stated at the last reported sale or settlement price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy.

Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the NYSE Close. These securities are valued using Pricing Services that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. Preferred securities and other equities traded on inactive markets or valued by reference to similar instruments are also categorized as Level 2 of the fair value hierarchy.

Investments in registered open-end investment companies (other than ETFs) will be valued based upon the NAVs of such investments and are categorized as Level 1 of the fair value hierarchy. Investments in unregistered open-end investment companies will be calculated based upon the NAVs of such investments and are considered Level 1 provided that the NAVs are observable, calculated daily and are the value at which both purchases and sales will be conducted.

Equity exchange-traded options and over the counter financial derivative instruments, such as forward foreign currency contracts and options contracts derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued on the basis of quotes obtained from a quotation reporting system, established market makers



or Pricing Services (normally determined as of the NYSE Close). Depending on the product and the terms of the transaction, financial derivative instruments can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as quoted prices, issuer details, indices, bid/ask spreads, interest rates, implied volatilities, yield curves, dividends and exchange rates. Financial derivative instruments that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Centrally cleared swaps and over the counter swaps derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. They are valued using a broker-dealer bid quotation or on market-based prices provided by Pricing Services (normally determined as of the NYSE Close). Centrally cleared swaps and over the counter swaps can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models may use inputs that are observed from actively quoted

markets such as the overnight index swap rate, London Interbank Offered Rate forward rate, interest rates, yield curves and credit spreads. These securities are categorized as Level 2 of the fair value hierarchy.

**Level 3 trading assets and trading liabilities, at fair value** When a fair valuation method is applied by the Adviser that uses significant unobservable inputs, investments will be priced by a method that the Board or persons acting at their direction believe reflects fair value and are categorized as Level 3 of the fair value hierarchy.

Short-term debt instruments (such as commercial paper) having a remaining maturity of 60 days or less may be valued at amortized cost, so long as the amortized cost value of such short-term debt instruments is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation. These securities are categorized as Level 2 or Level 3 of the fair value hierarchy depending on the source of the base price.

## 4. SECURITIES AND OTHER INVESTMENTS

### (a) Investments in Affiliates

The Portfolio may invest in the PIMCO Short Asset Portfolio and the PIMCO Short-Term Floating NAV Portfolio III ("Central Funds") to the extent permitted by the Act and rules thereunder. The Central Funds are registered investment companies created for use solely by the series of the Trust and other series of registered investment companies advised by the Adviser, in connection with their cash management activities. The main investments of the Central Funds are money market and short maturity fixed income instruments. The Central Funds may incur expenses related to their investment activities, but do not pay Investment Advisory Fees or Supervisory and Administrative Fees to the Adviser. The Central Funds are considered to be affiliated with the Portfolio. A complete schedule of portfolio holdings for each affiliate fund is filed with the SEC for the first and third quarters of each fiscal year on Form N-PORT and is available at the SEC's website at [www.sec.gov](http://www.sec.gov). A copy of each affiliate fund's shareholder report is also available at the SEC's website at [www.sec.gov](http://www.sec.gov), on the Portfolio's website at [www.pimco.com](http://www.pimco.com), or upon request, as applicable. The table below shows the Portfolio's transactions in and earnings from investments in the affiliated Funds for the period ended December 31, 2020 (amounts in thousands<sup>†</sup>):

### Investment in PIMCO Short-Term Floating NAV Portfolio III

| Market Value<br>12/31/2019 | Purchases<br>at Cost | Proceeds<br>from Sales | Net<br>Realized<br>Gain (Loss) | Change in<br>Unrealized<br>Appreciation<br>(Depreciation) | Market Value<br>12/31/2020 | Dividend<br>Income <sup>(1)</sup> | Realized Net<br>Capital Gain<br>Distributions <sup>(1)</sup> |
|----------------------------|----------------------|------------------------|--------------------------------|---|----------------------------|-----------------------------------|--|
| \$ 6,714                   | \$ 113,012           | \$ (113,800)           | \$ (1)                         | \$ 0  | \$ 5,925                   | \$ 11                             | \$ 0   |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

<sup>(1)</sup> The tax characterization of distributions is determined in accordance with Federal income tax regulations and may contain a return of capital. The actual tax characterization of distributions received is determined at the end of the fiscal year of the affiliated fund. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

### (b) Investments in Securities

The Portfolio may utilize the investments and strategies described below to the extent permitted by the Portfolio's investment policies.

**Delayed-Delivery Transactions** involve a commitment by the Portfolio to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery transactions are outstanding, the

Portfolio will designate or receive as collateral liquid assets in an amount sufficient to meet the purchase price or respective obligations. When purchasing a security on a delayed-delivery basis, the Portfolio assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its NAV. The Portfolio may dispose of or renegotiate a delayed-delivery transaction after it is entered into, which may result in a realized gain (loss). When the Portfolio has sold a

security on a delayed-delivery basis, the Portfolio does not participate in future gains (losses) with respect to the security.

**Inflation-Indexed Bonds** are fixed income securities whose principal value is periodically adjusted by the rate of inflation. The interest rate on these bonds is generally fixed at issuance at a rate lower than typical bonds. Over the life of an inflation-indexed bond, however, interest will be paid based on a principal value which is adjusted for inflation. Any increase or decrease in the principal amount of an inflation-indexed bond will be included as interest income on the Consolidated Statement of Operations, even though investors do not receive their principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury Inflation-Protected Securities. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

**Mortgage-Related and Other Asset-Backed Securities** directly or indirectly represent a participation in, or are secured by and payable from, loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. These securities provide a monthly payment which consists of both interest and principal. Interest may be determined by fixed or adjustable rates. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may have the effect of shortening or extending the effective duration of the security relative to what was anticipated at the time of purchase. The timely payment of principal and interest of certain mortgage-related securities is guaranteed with the full faith and credit of the U.S. Government. Pools created and guaranteed by non-governmental issuers, including government-sponsored corporations, may be supported by various forms of insurance or guarantees, but there can be no assurance that private insurers or guarantors can meet their obligations under the insurance policies or guarantee arrangements. Many of the risks of investing in mortgage-related securities secured by commercial mortgage loans reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make lease payments, and the ability of a property to attract and retain tenants. These securities may be less liquid and may exhibit greater price volatility than other types of mortgage-related or other asset-backed securities. Other asset-backed securities are created from many types of assets, including, but not limited to, auto loans, accounts receivable, such as credit card receivables and hospital account receivables, home equity loans, student loans, boat loans, mobile home loans, recreational vehicle loans, manufactured housing loans, aircraft leases, computer leases and syndicated bank loans.

**Collateralized Debt Obligations** ("CDOs") include Collateralized Bond Obligations ("CBOs"), Collateralized Loan Obligations ("CLOs") and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust which is backed by a diversified pool of high risk, below investment grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. The risks of an investment in a CDO depend largely on the type of the collateral securities and the class of the CDO in which the Portfolio invests. In addition to the normal risks associated with fixed income securities discussed elsewhere in this report and the Portfolio's prospectus and statement of additional information (e.g., prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured financing changes based on multiples of changes in interest rates or inversely to changes in interest rates)), CBOs, CLOs and other CDOs carry additional risks including, but not limited to, (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments, (ii) the quality of the collateral may decline in value or default, (iii) the risk that the Portfolio may invest in CBOs, CLOs, or other CDOs that are subordinate to other classes, and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

**Collateralized Mortgage Obligations** ("CMOs") are debt obligations of a legal entity that are collateralized by whole mortgage loans or private mortgage bonds and divided into classes. CMOs are structured into multiple classes, often referred to as "tranches", with each class bearing a different stated maturity and entitled to a different schedule for payments of principal and interest, including prepayments. CMOs may be less liquid and may exhibit greater price volatility than other types of mortgage-related or asset-backed securities.

**Perpetual Bonds** are fixed income securities with no maturity date but pay a coupon in perpetuity (with no specified ending or maturity date). Unlike typical fixed income securities, there is no obligation for perpetual bonds to repay principal. The coupon payments, however, are mandatory. While perpetual bonds have no maturity date, they may have a callable date in which the perpetuity is eliminated and the issuer may return the principal received on the specified call date. Additionally, a perpetual bond may have additional features, such as interest rate increases at periodic dates or an increase as of a predetermined point in the future.

**Securities Issued by U.S. Government Agencies or Government-Sponsored Enterprises** are obligations of and, in certain cases,

guaranteed by, the U.S. Government, its agencies or instrumentalities. Some U.S. Government securities, such as Treasury bills, notes and bonds, and securities guaranteed by the Government National Mortgage Association, are supported by the full faith and credit of the U.S. Government; others, such as those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Department of the Treasury (the "U.S. Treasury"); and others, such as those of the Federal National Mortgage Association ("FNMA" or "Fannie Mae"), are supported by the discretionary authority of the U.S. Government to purchase the agency's obligations. U.S. Government securities may include zero coupon securities which do not distribute interest on a current basis and tend to be subject to a greater risk than interest-paying securities of similar maturities.

Government-related guarantors (i.e., not backed by the full faith and credit of the U.S. Government) include FNMA and the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"). FNMA is a government-sponsored corporation. FNMA purchases conventional (i.e., not insured or guaranteed by any government agency) residential mortgages from a list of approved seller/servicers which include state and federally chartered savings and loan associations, mutual savings banks, commercial banks and credit unions and mortgage bankers. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA, but are not backed by the full faith and credit of the U.S. Government. FHLMC issues Participation Certificates ("PCs"), which are pass-through securities, each representing an undivided interest in a pool of residential mortgages. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but PCs are not backed by the full faith and credit of the U.S. Government.

In June 2019, FNMA and FHLMC started issuing Uniform Mortgage Backed Securities in place of their current offerings of TBA-eligible securities (the "Single Security Initiative"). The Single Security Initiative seeks to support the overall liquidity of the TBA market and aligns the characteristics of FNMA and FHLMC certificates. The effects that the Single Security Initiative may have on the market for TBA and other mortgage-backed securities are uncertain.

Roll-timing strategies can be used where the Portfolio seeks to extend the expiration or maturity of a position, such as a TBA security on an underlying asset, by closing out the position before expiration and opening a new position with respect to substantially the same underlying asset with a later expiration date. TBA securities purchased or sold are reflected on the Consolidated Statement of Assets and Liabilities as an asset or liability, respectively.

**When-Issued Transactions** are purchases or sales made on a when-issued basis. These transactions are made conditionally because a

security, although authorized, has not yet been issued in the market. Transactions to purchase or sell securities on a when-issued basis involve a commitment by the Portfolio to purchase or sell these securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. The Portfolio may sell when-issued securities before they are delivered, which may result in a realized gain (loss).

## 5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

The Portfolio may enter into the borrowings and other financing transactions described below to the extent permitted by the Portfolio's investment policies.

The following disclosures contain information on the Portfolio's ability to lend or borrow cash or securities to the extent permitted under the Act, which may be viewed as borrowing or financing transactions by the Portfolio. The location of these instruments in the Portfolio's financial statements is described below.

**(a) Repurchase Agreements** Under the terms of a typical repurchase agreement, the Portfolio purchases an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and the Portfolio to resell, the obligation at an agreed-upon price and time. In an open maturity repurchase agreement, there is no pre-determined repurchase date and the agreement can be terminated by the Portfolio or counterparty at any time. The underlying securities for all repurchase agreements are held by the Portfolio's custodian or designated subcustodians under tri-party repurchase agreements and in certain instances will remain in custody with the counterparty. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Repurchase agreements, if any, including accrued interest, are included on the Consolidated Statement of Assets and Liabilities. Interest earned is recorded as a component of interest income on the Consolidated Statement of Operations. In periods of increased demand for collateral, the Portfolio may pay a fee for the receipt of collateral, which may result in interest expense to the Portfolio.

**(b) Reverse Repurchase Agreements** In a reverse repurchase agreement, the Portfolio delivers a security in exchange for cash to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed upon price and date. In an open maturity reverse repurchase agreement, there is no pre-determined repurchase date and the agreement can be terminated by the Portfolio or counterparty at any time. The Portfolio is entitled to receive principal and interest payments, if any, made on the security delivered to the counterparty during the term of the agreement. Cash received in exchange for

securities delivered plus accrued interest payments to be made by the Portfolio to counterparties are reflected as a liability on the Consolidated Statement of Assets and Liabilities. Interest payments made by the Portfolio to counterparties are recorded as a component of interest expense on the Consolidated Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate assets determined to be liquid by the Adviser or will otherwise cover its obligations under reverse repurchase agreements.

**(c) Sale-Buybacks** A sale-buyback financing transaction consists of a sale of a security by the Portfolio to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed-upon price and date. The Portfolio is not entitled to receive principal and interest payments, if any, made on the security sold to the counterparty during the term of the agreement. The agreed-upon proceeds for securities to be repurchased by the Portfolio are reflected as a liability on the Consolidated Statement of Assets and Liabilities. The Portfolio will recognize net income represented by the price differential between the price received for the transferred security and the agreed-upon repurchase price. This is commonly referred to as the 'price drop'. A price drop consists of (i) the foregone interest and inflationary income adjustments, if any, the Portfolio would have otherwise received had the security not been sold and (ii) the negotiated financing terms between the Portfolio and counterparty. Foregone interest and inflationary income adjustments, if any, are recorded as components of interest income on the Consolidated Statement of Operations. Interest payments based upon negotiated financing terms made by the Portfolio to counterparties are recorded as a component of interest expense on the Consolidated Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate assets determined to be liquid by the Adviser or will otherwise cover its obligations under sale-buyback transactions.

**(d) Short Sales** Short sales are transactions in which the Portfolio sells a security that it may not own. The Portfolio may make short sales of securities to (i) offset potential declines in long positions in similar securities, (ii) to increase the flexibility of the Portfolio, (iii) for investment return, (iv) as part of a risk arbitrage strategy, and (v) as part of its overall portfolio management strategies involving the use of derivative instruments. When the Portfolio engages in a short sale, it may borrow the security sold short and deliver it to the counterparty. The Portfolio will ordinarily have to pay a fee or premium to borrow a security and be obligated to repay the lender of the security any dividend or interest that accrues on the security during the period of the loan. Securities sold in short sale transactions and the dividend or

interest payable on such securities, if any, are reflected as payable for short sales on the Consolidated Statement of Assets and Liabilities. Short sales expose the Portfolio to the risk that it will be required to cover its short position at a time when the security or other asset has appreciated in value, thus resulting in losses to the Portfolio. A short sale is "against the box" if the Portfolio holds in its portfolio or has the right to acquire the security sold short, or securities identical to the security sold short, at no additional cost. The Portfolio will be subject to additional risks to the extent that it engages in short sales that are not "against the box." The Portfolio's loss on a short sale could theoretically be unlimited in cases where the Portfolio is unable, for whatever reason, to close out its short position.

**(e) Interfund Lending** In accordance with an exemptive order (the "Order") from the SEC, each Portfolio of the Trust may participate in a joint lending and borrowing facility for temporary purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by each Portfolio's investment policies and restrictions. Each Portfolio is currently permitted to borrow under the Interfund Lending Program. A lending portfolio may lend in aggregate up to 15% of its current net assets at the time of the interfund loan, but may not lend more than 5% of its net assets to any one borrowing portfolio through the Interfund Lending Program. A borrowing portfolio may not borrow through the Interfund Lending Program or from any other source if its total outstanding borrowings immediately after the borrowing would be more than 33 1/3% of its total assets (or any lower threshold provided for by the portfolio's investment restrictions). If a borrowing portfolio's total outstanding borrowings exceed 10% of its total assets, each of its outstanding interfund loans will be subject to collateralization of at least 102% of the outstanding principal value of the loan. All interfund loans are for temporary or emergency purposes and the interfund loan rate to be charged will be the average of the highest current overnight repurchase agreement rate available to a lending portfolio and the bank loan rate, as calculated according to a formula established by the Board.

On March 23, 2020, the SEC issued an exemptive order (the "Temporary Order") to provide temporary relief to each Portfolio of the Trust in relation to the Interfund Lending Program, and the Portfolios' Board of Trustees has authorized the Portfolios to rely on the Temporary Order. With respect to interfund lending, the Temporary Order permitted, under certain conditions, a lending portfolio to lend in aggregate up to 25% of its current net assets at the time of the interfund loan and to make interfund loans with term limits of up to the expiration of the Temporary Order, notwithstanding the current limit of seven business days under the Order. The SEC determined in June 2020 that the Temporary Order would not be extended after its expiration on June 30, 2020.

During the period ended December 31, 2020, the Portfolio did not participate in the Interfund Lending Program.

## 6. FINANCIAL DERIVATIVE INSTRUMENTS

The Portfolio may enter into the financial derivative instruments described below to the extent permitted by the Portfolio's investment policies.

The following disclosures contain information on how and why the Portfolio uses financial derivative instruments, and how financial derivative instruments affect the Portfolio's financial position, results of operations and cash flows. The location and fair value amounts of these instruments on the Consolidated Statement of Assets and Liabilities and the net realized gain (loss) and net change in unrealized appreciation (depreciation) on the Consolidated Statement of Operations, each categorized by type of financial derivative contract and related risk exposure, are included in a table in the Notes to Consolidated Schedule of Investments. The financial derivative instruments outstanding as of period end and the amounts of net realized gain (loss) and net change in unrealized appreciation (depreciation) on financial derivative instruments during the period, as disclosed in the Notes to Consolidated Schedule of Investments, serve as indicators of the volume of financial derivative activity for the Portfolio.

**(a) Forward Foreign Currency Contracts** may be engaged, in connection with settling planned purchases or sales of securities, to hedge the currency exposure associated with some or all of the Portfolio's securities or as part of an investment strategy. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency contracts are marked to market daily, and the change in value is recorded by the Portfolio as an unrealized gain (loss). Realized gains (losses) are equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed and are recorded upon delivery or receipt of the currency. These contracts may involve market risk in excess of the unrealized gain (loss) reflected on the Consolidated Statement of Assets and Liabilities. In addition, the Portfolio could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably to the U.S. dollar. To mitigate such risk, cash or securities may be exchanged as collateral pursuant to the terms of the underlying contracts.

**(b) Futures Contracts** are agreements to buy or sell a security or other asset for a set price on a future date and are traded on an exchange. The Portfolio may use futures contracts to manage its exposure to the securities markets or to movements in interest rates and currency

values. The primary risks associated with the use of futures contracts are the imperfect correlation between the change in market value of the securities held by the Portfolio and the prices of futures contracts and the possibility of an illiquid market. Futures contracts are valued based upon their quoted daily settlement prices. Upon entering into a futures contract, the Portfolio is required to deposit with its futures broker an amount of cash, U.S. Government and Agency Obligations, or select sovereign debt, in accordance with the initial margin requirements of the broker or exchange. Futures contracts are marked to market daily and based on such movements in the price of the contracts, an appropriate payable or receivable for the change in value may be posted or collected by the Portfolio ("Futures Variation Margin"). Futures Variation Margins, if any, are disclosed within centrally cleared financial derivative instruments on the Consolidated Statement of Assets and Liabilities. Gains (losses) are recognized but not considered realized until the contracts expire or close. Futures contracts involve, to varying degrees, risk of loss in excess of the Futures Variation Margin included within exchange traded or centrally cleared financial derivative instruments on the Consolidated Statement of Assets and Liabilities.

**(c) Options Contracts** may be written or purchased to enhance returns or to hedge an existing position or future investment. The Portfolio may write call and put options on securities and financial derivative instruments it owns or in which it may invest. Writing put options tends to increase the Portfolio's exposure to the underlying instrument. Writing call options tends to decrease the Portfolio's exposure to the underlying instrument. When the Portfolio writes a call or put, an amount equal to the premium received is recorded and subsequently marked to market to reflect the current value of the option written. These amounts are included on the Consolidated Statement of Assets and Liabilities. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying futures, swap, security or currency transaction to determine the realized gain (loss). Certain options may be written with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The Portfolio as a writer of an option has no control over whether the underlying instrument may be sold ("call") or purchased ("put") and as a result bears the market risk of an unfavorable change in the price of the instrument underlying the written option. There is the risk the Portfolio may not be able to enter into a closing transaction because of an illiquid market.

Purchasing call options tends to increase the Portfolio's exposure to the underlying instrument. Purchasing put options tends to decrease the Portfolio's exposure to the underlying instrument. The Portfolio pays a

premium which is included as an asset on the Consolidated Statement of Assets and Liabilities and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. Certain options may be purchased with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying investment transaction to determine the realized gain (loss) when the underlying transaction is executed.

**Commodity Options** are options on commodity futures contracts ("Commodity Option"). The underlying instrument for the Commodity Option is not the commodity itself, but rather a futures contract for that commodity. The exercise of a Commodity Option will not include physical delivery of the underlying commodity but will result in a cash transfer for the amount of the difference between the current market value of the underlying futures contract and the strike price. For an option that is in-the-money, the Portfolio will normally offset its position rather than exercise the option to retain any remaining time value.

**Credit Default Swaptions** may be written or purchased to hedge exposure to the credit risk of an investment without making a commitment to the underlying instrument. A credit default swaption is an option to sell or buy credit protection on a specific reference by entering into a pre-defined swap agreement by some specified date in the future.

**Foreign Currency Options** may be written or purchased to be used as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies.

**Inflation-Capped Options** may be written or purchased to enhance returns or for hedging opportunities. The purpose of purchasing inflation-capped options is to protect the Portfolio from inflation erosion above a certain rate on a given notional exposure. A floor can be used to give downside protection to investments in inflation-linked products.

**Interest Rate-Capped Options** may be written or purchased to enhance returns or for hedging opportunities. The purpose of purchasing interest rate-capped options is to protect the Portfolio from floating rate risk above a certain rate on a given notional exposure. A floor can be used to give downside protection to investments in interest rate linked products.

**Interest Rate Swaptions** may be written or purchased to enter into a pre-defined swap agreement or to shorten, extend, cancel or otherwise modify an existing swap agreement, by some specified date in the future. The writer of the swaption becomes the counterparty to the swap if the buyer exercises. The interest rate swaption agreement will specify whether the buyer of the swaption will be a fixed-rate receiver or a fixed-rate payer upon exercise.

**Options on Exchange-Traded Futures Contracts** ("Futures Option") may be written or purchased to hedge an existing position or future investment, for speculative purposes or to manage exposure to market movements. A Futures Option is an option contract in which the underlying instrument is a single futures contract.

**Options on Securities** may be written or purchased to enhance returns or to hedge an existing position or future investment. An option on a security uses a specified security as the underlying instrument for the option contract.

**Straddle Options** ("Straddle") are investment strategies that use combinations of options that allow the Portfolio to profit based on the future price movements of the underlying security, regardless of the direction of those movements. A written Straddle involves simultaneously writing a call option and a put option on the same security with the same strike price and expiration date. The written Straddle increases in value when the underlying security price has little volatility before the expiration date. A purchased Straddle involves simultaneously purchasing a call option and a put option on the same security with the same strike price and expiration date. The purchased Straddle increases in value when the underlying security price has high volatility, regardless of direction, before the expiration date.

(d) **Swap Agreements** are bilaterally negotiated agreements between the Portfolio and a counterparty to exchange or swap investment cash flows, assets, foreign currencies or market-linked returns at specified, future intervals. Swap agreements may be privately negotiated in the over the counter market ("OTC swaps") or may be cleared through a third party, known as a central counterparty or derivatives clearing organization ("Centrally Cleared Swaps"). The Portfolio may enter into asset, credit default, cross-currency, interest rate, total return, variance and other forms of swap agreements to manage its exposure to credit, currency, interest rate, commodity, equity and inflation risk. In connection with these agreements, securities or cash may be identified as collateral or margin in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default or bankruptcy/insolvency.

Centrally Cleared Swaps are marked to market daily based upon valuations as determined from the underlying contract or in accordance

with the requirements of the central counterparty or derivatives clearing organization. Changes in market value, if any, are reflected as a component of net change in unrealized appreciation (depreciation) on the Consolidated Statement of Operations. Daily changes in valuation of centrally cleared swaps ("Swap Variation Margin"), if any, are disclosed within centrally cleared financial derivative instruments on the Consolidated Statement of Assets and Liabilities. Centrally Cleared and OTC swap payments received or paid at the beginning of the measurement period are included on the Consolidated Statement of Assets and Liabilities and represent premiums paid or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). Upfront premiums received (paid) are initially recorded as liabilities (assets) and subsequently marked to market to reflect the current value of the swap. These upfront premiums are recorded as realized gain (loss) on the Consolidated Statement of Operations upon termination or maturity of the swap. A liquidation payment received or made at the termination of the swap is recorded as realized gain (loss) on the Consolidated Statement of Operations. Net periodic payments received or paid by the Portfolio are included as part of realized gain (loss) on the Consolidated Statement of Operations.

For purposes of applying certain of the Portfolio's investment policies and restrictions, swap agreements, like other derivative instruments, may be valued by the Portfolio at market value, notional value or full exposure value. In the case of a credit default swap, in applying certain of the Portfolio's investment policies and restrictions, the Portfolio will value the credit default swap at its notional value or its full exposure value (i.e., the sum of the notional amount for the contract plus the market value), but may value the credit default swap at market value for purposes of applying certain of the Portfolio's other investment policies and restrictions. For example, the Portfolio may value credit default swaps at full exposure value for purposes of the Portfolio's credit quality guidelines (if any) because such value in general better reflects the Portfolio's actual economic exposure during the term of the credit default swap agreement. As a result, the Portfolio may, at times, have notional exposure to an asset class (before netting) that is greater or lesser than the stated limit or restriction noted in the Portfolio's prospectus. In this context, both the notional amount and the market value may be positive or negative depending on whether the Portfolio is selling or buying protection through the credit default swap. The manner in which certain securities or other instruments are valued by the Portfolio for purposes of applying investment policies and restrictions may differ from the manner in which those investments are valued by other types of investors.

Entering into swap agreements involves, to varying degrees, elements of interest, credit, market and documentation risk in excess of the amounts recognized on the Consolidated Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of contractual terms in the agreements and that there may be unfavorable changes in interest rates or the values of the asset upon which the swap is based.

The Portfolio's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that amount is positive. The risk may be mitigated by having a master netting arrangement between the Portfolio and the counterparty and by the posting of collateral to the Portfolio to cover the Portfolio's exposure to the counterparty.

To the extent the Portfolio has a policy to limit the net amount owed to or to be received from a single counterparty under existing swap agreements, such limitation only applies to counterparties to OTC swaps and does not apply to centrally cleared swaps where the counterparty is a central counterparty or derivatives clearing organization.

**Commodity Forward Swap Agreements** ("Commodity Forwards") are entered into to gain or mitigate exposure to the underlying referenced commodity. Commodity Forwards involve commitments between two parties where cash flows are exchanged at a future date based on the difference between a fixed and variable price with respect to the number of units of the commodity. At the maturity date, a net cash flow is exchanged, where the payoff amount is equivalent to the difference between the fixed and variable price of the underlying commodity multiplied by the number of units. To the extent the difference between the fixed and variable price of the underlying referenced commodity exceeds or falls short of the offsetting payment obligation, the Portfolio will receive a payment from or make a payment to the counterparty.

**Credit Default Swap Agreements** on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues are entered into to provide a measure of protection against defaults of the issuers (i.e., to reduce risk where the Portfolio owns or has exposure to the referenced obligation) or to take an active long or short position with respect to the likelihood of a particular issuer's default. Credit default swap agreements involve one party making a stream of payments (referred to as the buyer of protection) to another party (the seller of protection) in exchange for the right to receive a specified return in the event that the referenced entity, obligation or index, as specified in the swap agreement, undergoes a certain credit event. As a seller of protection on credit

default swap agreements, the Portfolio will generally receive from the buyer of protection a fixed rate of income throughout the term of the swap provided that there is no credit event. As the seller, the Portfolio would effectively add leverage to its portfolio because, in addition to its total net assets, the Portfolio would be subject to investment exposure on the notional amount of the swap.

If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. If the Portfolio is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. Recovery values are estimated by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specified valuation method, are used to calculate the settlement value. The ability to deliver other obligations may result in a cheapest-to-deliver option (the buyer of protection's right to choose the deliverable obligation with the lowest value following a credit event).

Credit default swap agreements on credit indices involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising the credit index. A credit index is a basket of credit instruments or exposures designed to be representative of some part of the credit market as a whole. These indices are made up of reference credits that are judged by a poll of dealers to be the most liquid entities in the credit default swap market based on the sector of the index. Components of the indices may include, but are not limited to, investment grade securities, high yield securities, asset-backed securities, emerging markets, and/or various credit ratings within each sector. Credit indices are traded using credit default swaps with standardized terms including a fixed spread and standard maturity

dates. An index credit default swap references all the names in the index, and if there is a default, the credit event is settled based on that name's weight in the index. The composition of the indices changes periodically, usually every six months, and for most indices, each name has an equal weight in the index. The Portfolio may use credit default swaps on credit indices to hedge a portfolio of credit default swaps or bonds, which is less expensive than it would be to buy many credit default swaps to achieve a similar effect. Credit default swaps on indices are instruments for protecting investors owning bonds against default, and traders use them to speculate on changes in credit quality.

Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues as of period end, if any, are disclosed in the Notes to Consolidated Schedule of Investments. They serve as an indicator of the current status of payment/performance risk and represent the likelihood or risk of default for the reference entity. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values serve as the indicator of the current status of the payment/performance risk. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

The maximum potential amount of future payments (undiscounted) that the Portfolio as a seller of protection could be required to make under a credit default swap agreement equals the notional amount of the agreement. Notional amounts of each individual credit default swap agreement outstanding as of period end for which the Portfolio is the seller of protection are disclosed in the Notes to Consolidated Schedule of Investments. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Portfolio for the same referenced entity or entities.

**Interest Rate Swap Agreements** may be entered into to help hedge against interest rate risk exposure and to maintain the Portfolio's ability to generate income at prevailing market rates. The value of the fixed rate bonds that the Portfolio holds may decrease if interest rates rise.



To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, the Portfolio may enter into interest rate swap agreements. Interest rate swap agreements involve the exchange by the Portfolio with another party for their respective commitment to pay or receive interest on the notional amount of principal. Certain forms of interest rate swap agreements may include: (i) interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or “cap”, (ii) interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or “floor”, (iii) interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels, (iv) callable interest rate swaps, under which the buyer pays an upfront fee in consideration for the right to early terminate the swap transaction in whole, at zero cost and at a predetermined date and time prior to the maturity date, (v) spreadlocks, which allow the interest rate swap users to lock in the forward differential (or spread) between the interest rate swap rate and a specified benchmark, or (vi) basis swaps, under which two parties can exchange variable interest rates based on different segments of money markets.

**Total Return Swap Agreements** are entered into to gain or mitigate exposure to the underlying reference asset. Total return swap agreements involve commitments where single or multiple cash flows are exchanged based on the price of an underlying reference asset and on a fixed or variable interest rate. Total return swap agreements may involve commitments to pay interest in exchange for a market-linked return. One counterparty pays out the total return of a specific underlying reference asset, which may include a single security, a basket of securities, or an index, and in return receives a fixed or variable rate. At the maturity date, a net cash flow is exchanged where the total return is equivalent to the return of the underlying reference asset less a financing rate, if any. As a receiver, the Portfolio would receive payments based on any net positive total return and would owe payments in the event of a net negative total return. As the payer, the Portfolio would owe payments on any net positive total return, and would receive payments in the event of a net negative total return.

**Volatility Swap Agreements** are also known as forward volatility agreements and volatility swaps, and are agreements in which the counterparties agree to make payments in connection with changes in the volatility (i.e., the magnitude of change over a specified period of time) of an underlying referenced instrument, such as a currency, rate, index, security or other financial instrument. Volatility swaps permit the parties to attempt to hedge volatility risk and/or take positions on the projected future volatility of an underlying referenced instrument. For

example, the Portfolio may enter into a volatility swap in order to take the position that the referenced instrument’s volatility will increase over a particular period of time. If the referenced instrument’s volatility does increase over the specified time, the Portfolio will receive payment from its counterparty based upon the amount by which the referenced instrument’s realized volatility level exceeds a volatility level agreed upon by the parties. If the referenced instrument’s volatility does not increase over the specified time, the Portfolio will make a payment to the counterparty based upon the amount by which the referenced instrument’s realized volatility level falls below the volatility level agreed upon by the parties. At the maturity date, a net cash flow is exchanged, where the payoff amount is equivalent to the difference between the realized price volatility of the referenced instrument and the strike multiplied by the notional amount. As a receiver of the realized price volatility, the Portfolio would receive the payoff amount when the realized price volatility of the referenced instrument is greater than the strike and would owe the payoff amount when the volatility is less than the strike. As a payer of the realized price volatility, the Portfolio would owe the payoff amount when the realized price volatility of the referenced instrument is greater than the strike and would receive the payoff amount when the volatility is less than the strike. Payments on a volatility swap will be greater if they are based upon the mathematical square of volatility (i.e., the measured volatility multiplied by itself, which is referred to as “variance”). This type of volatility swap is frequently referred to as a variance swap.

## 7. PRINCIPAL AND OTHER RISKS

### (a) Principal Risks

The principal risks of investing in the Portfolio, which could adversely affect its net asset value, yield and total return, are listed below. Under certain conditions, generally in a market where the value of both commodity-linked derivative instruments and fixed income securities are declining, the Portfolio may experience substantial losses. Please see “Description of Principal Risks” in the Portfolio’s prospectus for a more detailed description of the risks of investing in the Portfolio.

**Interest Rate Risk** is the risk that fixed income securities will decline in value because of an increase in interest rates; a portfolio with a longer average portfolio duration will be more sensitive to changes in interest rates than a portfolio with a shorter average portfolio duration.

**Call Risk** is the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer’s credit quality). If an issuer calls a security that the Portfolio has invested in, the Portfolio may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

**Credit Risk** is the risk that the Portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to meet its financial obligations.

**High Yield Risk** is the risk that high yield securities and unrated securities of similar credit quality (commonly known as “junk bonds”) are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer’s continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity.

**Market Risk** is the risk that the value of securities owned by the Portfolio may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

**Issuer Risk** is the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods or services.

**Liquidity Risk** is the risk that a particular investment may be difficult to purchase or sell and that the Portfolio may be unable to sell illiquid investments at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.

**Derivatives Risk** is the risk of investing in derivative instruments (such as futures, swaps and structured securities), including leverage, liquidity, interest rate, market, credit and management risks, mispricing or valuation complexity. Changes in the value of a derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Portfolio could lose more than the initial amount invested. The Portfolio’s use of derivatives may result in losses to the Portfolio, a reduction in the Portfolio’s returns and/or increased volatility. Over-the-counter (“OTC”) derivatives are also subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations to the other party, as many of the protections afforded to centrally-cleared derivative transactions might not be available for OTC derivatives. For derivatives traded on an exchange or through a central counterparty, credit risk resides with the Portfolio’s clearing broker, or the clearinghouse itself, rather than with a counterparty in an OTC derivative transaction. Changes in regulation relating to a mutual fund’s use of derivatives

and related instruments could potentially limit or impact the Portfolio’s ability to invest in derivatives, limit the Portfolio’s ability to employ certain strategies that use derivatives and/or adversely affect the value of derivatives and the Portfolio’s performance.

**Model Risk** is the risk that the Portfolio’s investment models used in making investment allocation decisions may not adequately take into account certain factors, may contain design flaws or faulty assumptions, and may rely on incomplete or inaccurate data, any of which may result in a decline in the value of an investment in the Portfolio.

**Commodity Risk** is the risk that investing in commodity-linked derivative instruments may subject the Portfolio to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

**Equity Risk** is the risk that the value of equity securities, such as common stocks and preferred securities, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

**Mortgage-Related and Other Asset-Backed Securities Risk** is the risk of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk and credit risk.

**Foreign (Non-U.S.) Investment Risk** is the risk that investing in foreign (non-U.S.) securities may result in the Portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.

**Emerging Markets Risk** is the risk of investing in emerging market securities, primarily increased foreign (non-U.S.) investment risk.

**Sovereign Debt Risk** is the risk that investments in fixed income instruments issued by sovereign entities may decline in value as a result

of default or other adverse credit event resulting from an issuer's inability or unwillingness to make principal or interest payments in a timely fashion.

**Currency Risk** is the risk that foreign (non-U.S.) currencies will change in value relative to the U.S. dollar and affect the Portfolio's investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies.

**Leveraging Risk** is the risk that certain transactions of the Portfolio, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Portfolio to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.

**Management Risk** is the risk that the investment techniques and risk analyses applied by PIMCO, including the use of quantitative models or methods, will not produce the desired results and that legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to PIMCO and the individual portfolio manager in connection with managing the Portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved.

**Tax Risk** is the risk that the tax treatment of swap agreements and other derivative instruments, such as commodity-linked derivative instruments, including commodity index-linked notes, swap agreements, commodity options, futures, and options on futures, may be affected by future regulatory or legislative changes that could affect whether income from such investments is "qualifying income" under Subchapter M of the Internal Revenue Code, or otherwise affect the character, timing and/or amount of the Portfolio's taxable income or gains and distributions.

**Subsidiary Risk** is the risk that, by investing in the CRRS Subsidiary, the Portfolio is indirectly exposed to the risks associated with the CRRS Subsidiary's investments. The CRRS Subsidiary is not registered under the Act and may not be subject to all the investor protections of the Act. There is no guarantee that the investment objective of the CRRS Subsidiary will be achieved.

**Short Exposure Risk** is the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale will not fulfill its contractual obligations, causing a loss to the Portfolio.

## (b) Other Risks

In general, the Portfolio may be subject to additional risks, including, but not limited to, risks related to government regulation and intervention in financial markets, operational risks, risks associated with financial, economic and global market disruptions, and cybersecurity risks. Please see the Portfolio's prospectus and Statement of Additional Information for a more detailed description of the risks of investing in the Portfolio. Please see the Important Information section of this report for additional discussion of certain regulatory and market developments (such as the anticipated discontinuation of the London Interbank Offered Rate) that may impact the Portfolio's performance.

**Market Disruption Risk** The Portfolio is subject to investment and operational risks associated with financial, economic and other global market developments and disruptions, including those arising from war, terrorism, market manipulation, government interventions, defaults and shutdowns, political changes or diplomatic developments, public health emergencies (such as the spread of infectious diseases, pandemics and epidemics) and natural/environmental disasters, which can all negatively impact the securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to the Portfolio's investments or the Investment Manager's operations and cause the Portfolio to lose value. These events can also impair the technology and other operational systems upon which the Portfolio's service providers, including PIMCO as the Portfolio's investment adviser, rely, and could otherwise disrupt the Portfolio's service providers' ability to fulfill their obligations to the Portfolio. For example, the recent spread of an infectious respiratory illness caused by a novel strain of coronavirus (known as COVID-19) has caused volatility, severe market dislocations and liquidity constraints in many markets, including markets for the securities the Portfolio holds, and may adversely affect the Portfolio's investments and operations. Please see the Important Information section for additional discussion of the COVID-19 pandemic.

**Government Intervention in Financial Markets** Federal, state, and other governments, their regulatory agencies, or self-regulatory organizations may take actions that affect the regulation of the instruments in which the Portfolio invests, or the issuers of such instruments, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Portfolio itself is regulated. Such legislation or regulation could limit or preclude the Portfolio's ability to achieve its investment objective. Furthermore, volatile financial markets can expose the Portfolio to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Portfolio. The value of the Portfolio's holdings is also generally subject to the risk of future local, national, or global economic disturbances based on

unknown weaknesses in the markets in which the Portfolio invests. In addition, it is not certain that the U.S. Government will intervene in response to a future market disturbance and the effect of any such future intervention cannot be predicted. It is difficult for issuers to prepare for the impact of future financial downturns, although companies can seek to identify and manage future uncertainties through risk management programs.

**Regulatory Risk** Financial entities, such as investment companies and investment advisers, are generally subject to extensive government regulation and intervention. Government regulation and/or intervention may change the way the Portfolio is regulated, affect the expenses incurred directly by the Portfolio and the value of its investments, and limit and/or preclude the Portfolio's ability to achieve its investment objective. Government regulation may change frequently and may have significant adverse consequences. Moreover, government regulation may have unpredictable and unintended effects.

**Operational Risk** An investment in the Portfolio, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology, changes in personnel and errors caused by third-party service providers. The occurrence of any of these failures, errors or breaches could result in a loss of information, regulatory scrutiny, reputational damage or other events, any of which could have a material adverse effect on the Portfolio. While the Portfolio seeks to minimize such events through controls and oversight, there may still be failures that could cause losses to the Portfolio.

**Cyber Security Risk** As the use of technology has become more prevalent in the course of business, the Portfolio has become potentially more susceptible to operational and information security risks resulting from breaches in cyber security. A breach in cyber security refers to both intentional and unintentional cyber events that may, among other things, cause the Portfolio to lose proprietary information, suffer data corruption and/or destruction or lose operational capacity, result in the unauthorized release or other misuse of confidential information, or otherwise disrupt normal business operations. Cyber security failures or breaches may result in financial losses to the Portfolio and its shareholders. These failures or breaches may also result in disruptions to business operations, potentially resulting in financial losses; interference with the Portfolio's ability to calculate its net asset value, process shareholder transactions or otherwise transact business with shareholders; impediments to trading; violations of applicable privacy and other laws; regulatory fines; penalties; reputational damage; reimbursement or other compensation costs; additional compliance and cyber security risk management costs and other adverse consequences. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future.

## 8. MASTER NETTING ARRANGEMENTS

The Portfolio may be subject to various netting arrangements ("Master Agreements") with select counterparties. Master Agreements govern the terms of certain transactions, and are intended to reduce the counterparty risk associated with relevant transactions by specifying credit protection mechanisms and providing standardization that is intended to improve legal certainty. Each type of Master Agreement governs certain types of transactions. Different types of transactions may be traded out of different legal entities or affiliates of a particular organization, resulting in the need for multiple agreements with a single counterparty. As the Master Agreements are specific to unique operations of different asset types, they allow the Portfolio to close out and net its total exposure to a counterparty in the event of a default with respect to all the transactions governed under a single Master Agreement with a counterparty. For financial reporting purposes the Consolidated Statement of Assets and Liabilities generally presents derivative assets and liabilities on a gross basis, which reflects the full risks and exposures prior to netting.

Master Agreements can also help limit counterparty risk by specifying collateral posting arrangements at pre-arranged exposure levels. Under most Master Agreements, collateral is routinely transferred if the total net exposure to certain transactions (net of existing collateral already in place) governed under the relevant Master Agreement with a counterparty in a given account exceeds a specified threshold, which typically ranges from zero to \$250,000 depending on the counterparty and the type of Master Agreement. United States Treasury Bills and U.S. dollar cash are generally the preferred forms of collateral, although other securities may be used depending on the terms outlined in the applicable Master Agreement. Securities and cash pledged as collateral are reflected as assets on the Consolidated Statement of Assets and Liabilities as either a component of Investments at value (securities) or Deposits with counterparty. Cash collateral received is not typically held in a segregated account and as such is reflected as a liability on the Consolidated Statement of Assets and Liabilities as Deposits from counterparty. The market value of any securities received as collateral is not reflected as a component of NAV. The Portfolio's overall exposure to counterparty risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

Master Repurchase Agreements and Global Master Repurchase Agreements (individually and collectively "Master Repo Agreements") govern repurchase, reverse repurchase, and certain sale-buyback transactions between the Portfolio and select counterparties. Master Repo Agreements maintain provisions for, among other things, initiation, income payments, events of default, and maintenance of collateral. The market value of transactions under the Master Repo Agreement, collateral pledged or received, and the net exposure by

counterparty as of period end are disclosed in the Notes to Consolidated Schedule of Investments.

Master Securities Forward Transaction Agreements (“Master Forward Agreements”) govern certain forward settling transactions, such as TBA securities, delayed-delivery or certain sale-buyback transactions by and between the Portfolio and select counterparties. The Master Forward Agreements maintain provisions for, among other things, transaction initiation and confirmation, payment and transfer, events of default, termination, and maintenance of collateral. The market value of forward settling transactions, collateral pledged or received, and the net exposure by counterparty as of period end is disclosed in the Notes to Consolidated Schedule of Investments.

Customer Account Agreements and related addenda govern cleared derivatives transactions such as futures, options on futures, and cleared OTC derivatives. Such transactions require posting of initial margin as determined by each relevant clearing agency which is segregated in an account at a futures commission merchant (“FCM”) registered with the Commodity Futures Trading Commission. In the United States, counterparty risk may be reduced as creditors of an FCM cannot have a claim to Portfolio assets in the segregated account. Portability of exposure reduces risk to the Portfolio. Variation margin, or changes in market value, are generally exchanged daily, but may not be netted between futures and cleared OTC derivatives unless the parties have agreed to a separate arrangement in respect of portfolio margining. The market value or accumulated unrealized appreciation (depreciation), initial margin posted, and any unsettled variation margin as of period end are disclosed in the Notes to Consolidated Schedule of Investments.

International Swaps and Derivatives Association, Inc. Master Agreements and Credit Support Annexes (“ISDA Master Agreements”) govern bilateral OTC derivative transactions entered into by the Portfolio with select counterparties. ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral posting and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to terminate early could be material to the financial statements. The ISDA Master Agreement may contain additional provisions that add counterparty protection beyond coverage of existing daily exposure if the counterparty has a decline in credit quality below a predefined level or as required by regulation. Similarly, if required by regulation, the Portfolio may be required to post additional collateral beyond coverage of daily exposure. These amounts, if any, may (or if required by law, will) be segregated with a third-party custodian. To the extent the Portfolio is required by regulation to post additional collateral beyond

coverage of daily exposure, it could potentially incur costs, including in procuring eligible assets to meet collateral requirements, associated with such posting. The market value of OTC financial derivative instruments, collateral received or pledged, and net exposure by counterparty as of period end are disclosed in the Notes to Consolidated Schedule of Investments.

## 9. FEES AND EXPENSES

(a) **Investment Advisory Fee** PIMCO is a majority-owned subsidiary of Allianz Asset Management of America L.P. (“Allianz Asset Management”) and serves as the Adviser to the Trust, pursuant to an investment advisory contract. The Adviser receives a monthly fee from the Portfolio at an annual rate based on average daily net assets (the “Investment Advisory Fee”). The Investment Advisory Fee for all classes is charged at an annual rate as noted in the table in note (b) below.

(b) **Supervisory and Administrative Fee** PIMCO serves as administrator (the “Administrator”) and provides supervisory and administrative services to the Trust for which it receives a monthly supervisory and administrative fee based on each share class’s average daily net assets (the “Supervisory and Administrative Fee”). As the Administrator, PIMCO bears the costs of various third-party services, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs.

The Investment Advisory Fee and Supervisory and Administrative Fees for all classes, as applicable, are charged at the annual rate as noted in the following table (calculated as a percentage of the Portfolio’s average daily net assets attributable to each class):

| Investment Advisory Fee | Supervisory and Administrative Fee |                     |         |                      |               |
|-------------------------|------------------------------------|---------------------|---------|----------------------|---------------|
|                         | All Classes                        | Institutional Class | Class M | Administrative Class | Advisor Class |
| 0.49%                   | 0.25%                              | 0.25%               | 0.25%   | 0.25%                | 0.25%         |

(c) **Distribution and Servicing Fees** PIMCO Investments LLC, a wholly-owned subsidiary of PIMCO, serves as the distributor (“Distributor”) of the Trust’s shares.

The Trust has adopted an Administrative Services Plan with respect to the Administrative Class shares of the Portfolio pursuant to Rule 12b-1 under the Act (the “Administrative Plan”). Under the terms of the Administrative Plan, the Trust is permitted to compensate the Distributor, out of the Administrative Class assets of the Portfolio, in an amount up to 0.15% on an annual basis of the average daily net assets of that class, for providing or procuring through financial intermediaries administrative, recordkeeping and investor services for Administrative Class shareholders of the Portfolio.

The Trust has adopted a separate Distribution and Servicing Plan for each of the Advisor Class and Class M shares of the Portfolio (the

“Distribution and Servicing Plans”). The Distribution and Servicing Plans have been adopted pursuant to Rule 12b-1 under the Act. The Distribution and Servicing Plans permit the Portfolio to compensate the Distributor for providing or procuring through financial intermediaries, distribution, administrative, recordkeeping, shareholder and/or related services with respect to Advisor Class and Class M shares. The Distribution and Servicing Plans permit the Portfolio to make total payments at an annual rate of up to 0.25% of its average daily net assets attributable to its Advisor Class or Class M shares, respectively. The Distribution and Servicing Plan for Class M shares also permits the Portfolio to compensate the Distributor for providing or procuring administrative, recordkeeping, and other investor services at an annual rate of up to 0.20% of its average daily net assets attributable to its Class M shares.

|                             | <b>Distribution Fee</b> | <b>Servicing Fee</b> |
|-----------------------------|-------------------------|----------------------|
| <b>Class M</b>              | 0.25%                   | 0.20%                |
| <b>Administrative Class</b> | —                       | 0.15%                |
| <b>Advisor Class</b>        | 0.25%                   | —                    |

(d) **Portfolio Expenses** PIMCO provides or procures supervisory and administrative services for shareholders and also bears the costs of various third-party services required by the Portfolio, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs. The Trust is responsible for the following expenses: (i) taxes and governmental fees; (ii) brokerage fees and commissions and other portfolio transaction expenses; (iii) the costs of borrowing money, including interest expenses; (iv) fees and expenses of the Trustees who are not “interested persons” of PIMCO or the Trust, and any counsel retained exclusively for their benefit, except for PIMCO All Asset Portfolio; (v) extraordinary expense, including costs of litigation and indemnification expenses; (vi) organizational expenses; and (vii) any expenses allocated or allocable to a specific class of shares, which include service fees payable with respect to the Administrative Class Shares, and may include certain other expenses as permitted by the Trust’s Multi-Class Plan adopted pursuant to Rule 18f-3 under the Act and subject to review and approval by the Trustees. The ratio of expenses to average net assets per share class, as disclosed on the Financial Highlights, may differ from the annual portfolio operating expenses per share class.

The Trust pays no compensation directly to any Trustee or any other officer who is affiliated with the Administrator, all of whom receive remuneration for their services to the Trust from the Administrator or its affiliates.

(e) **Expense Limitation** Pursuant to the Expense Limitation Agreement, PIMCO has agreed to waive a portion of the Portfolio’s Supervisory and Administrative Fee, or reimburse the Portfolio, to the extent that the Portfolio’s organizational expenses, pro rata share of expenses related

to obtaining or maintaining a Legal Entity Identifier and pro rata share of Trustee Fees exceed 0.0049%, the “Expense Limit” (calculated as a percentage of the Portfolio’s average daily net assets attributable to each class). The Expense Limitation Agreement will automatically renew for one-year terms unless PIMCO provides written notice to the Trust at least 30 days prior to the end of the then current term. The waiver is reflected on the Consolidated Statement of Operations as a component of Waiver and/or Reimbursement by PIMCO. For the period ended December 31, 2020, the amount was \$228.

In any month in which the supervision and administration agreement is in effect, PIMCO is entitled to reimbursement by the Portfolio of any portion of the supervisory and administrative fee waived or reimbursed as set forth above (the “Reimbursement Amount”) during the previous thirty-six months from the date of the waiver, provided that such amount paid to PIMCO will not: i) together with any organizational expenses, pro rata share of expenses related to obtaining or maintaining a Legal Entity Identifier and pro rata Trustee fees, exceed, for such month, the Expense Limit (or the amount of the expense limit in place at the time the amount being recouped was originally waived if lower than the Expense Limit); ii) exceed the total Reimbursement Amount; or iii) include any amounts previously reimbursed to PIMCO. At December 31, 2020, there were no recoverable amounts.

(f) **Acquired Fund Fees and Expenses** PIMCO Cayman Commodity Portfolio I, Ltd. (the “Commodity Subsidiary”) has entered into a separate contract with PIMCO for the management of the Commodity Subsidiary’s portfolio pursuant to which the Commodity Subsidiary pays PIMCO a management fee and an administrative services fee at the annual rates of 0.49% and 0.20%, respectively, of its net assets. PIMCO has contractually agreed to waive the Portfolio’s Investment Advisory Fee and the Supervisory and Administrative Fee in an amount equal to the management fee and administrative services fee, respectively, paid by the Commodity Subsidiary to PIMCO. This waiver may not be terminated by PIMCO and will remain in effect for as long as PIMCO’s contract with the Commodity Subsidiary is in place. The waiver is reflected on the Consolidated Statement of Operations as a component of Waiver and/or Reimbursement by PIMCO. For the period ended December 31, 2020, the amount was \$424,965. See Note 14, Basis for Consolidation in the Notes to Financial Statements for more information regarding the Commodity Subsidiary.

## 10. RELATED PARTY TRANSACTIONS

The Adviser, Administrator, and Distributor are related parties. Fees paid to these parties are disclosed in Note 9, Fees and Expenses, and the accrued related party fee amounts are disclosed on the Consolidated Statement of Assets and Liabilities.

The Portfolio is permitted to purchase or sell securities from or to certain related affiliated portfolios under specified conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Portfolio from or to another fund or portfolio that are, or could be, considered an affiliate, or an affiliate of an affiliate, by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees and/or common officers complies with Rule 17a-7 under the Act. Further, as defined under the procedures, each transaction is effected at the current market price. Purchases and sales of securities pursuant to Rule 17a-7 under the Act for the period ended December 31, 2020, were as follows (amounts in thousands<sup>†</sup>):

| Purchases | Sales |
|-----------|-------|
| \$ 1,086  | \$ 0  |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

## 11. GUARANTEES AND INDEMNIFICATIONS

Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust (including the Trust's investment manager) is indemnified, to the extent permitted by the Act, against certain liabilities that may arise out of performance of their duties to the Portfolio. Additionally, in the normal course of business, the Portfolio enters into contracts that contain a variety of indemnification clauses. The Portfolio's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolio that have not yet occurred. However, the Portfolio has not had prior claims or losses pursuant to these contracts.

## 13. SHARES OF BENEFICIAL INTEREST

The Trust may issue an unlimited number of shares of beneficial interest with a \$0.001 par value. Changes in shares of beneficial interest were as follows (shares and amounts in thousands<sup>†</sup>):

|  | Year Ended<br>12/31/2020 |                  | Year Ended<br>12/31/2019 |                   |
|--|--------------------------|------------------|--------------------------|-------------------|
|  | Shares                   | Amount           | Shares                   | Amount            |
| <b>Receipts for shares sold</b>  |                          |                  |                          |                   |
| Institutional Class  | 276                      | \$ 1,430         | 93                       | \$ 587            |
| Class M  | 8                        | 44               | 12                       | 76                |
| Administrative Class   | 9,532                    | 49,443           | 5,492                    | 34,815            |
| Advisor Class  | 2,428                    | 12,855           | 1,503                    | 9,639             |
| <b>Issued as reinvestment of distributions</b>                             |                          |                  |                          |                   |
| Institutional Class  | 34                       | 165              | 23                       | 141               |
| Class M  | 5                        | 23               | 3                        | 19                |
| Administrative Class   | 2,627                    | 12,687           | 1,584                    | 9,891             |
| Advisor Class  | 1,231                    | 6,025            | 743                      | 4,700             |
| <b>Cost of shares redeemed</b>   |                          |                  |                          |                   |
| Institutional Class  | (269)                    | (1,445)          | (163)                    | (1,028)           |
| Class M  | (26)                     | (125)            | (14)                     | (90)              |
| Administrative Class   | (9,932)                  | (52,603)         | (8,446)                  | (53,437)          |
| Advisor Class  | (2,558)                  | (14,044)         | (2,173)                  | (13,896)          |
| <b>Net increase (decrease) resulting from Portfolio share transactions</b> | <b>3,356</b>             | <b>\$ 14,455</b> | <b>(1,343)</b>           | <b>\$ (8,583)</b> |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

## 12. PURCHASES AND SALES OF SECURITIES

The length of time the Portfolio has held a particular security is not generally a consideration in investment decisions. A change in the securities held by the Portfolio is known as "portfolio turnover." The Portfolio may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods of volatile market movements. High portfolio turnover may involve correspondingly greater transaction costs, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities, which are borne by the Portfolio. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are generally taxed at ordinary income tax rates when distributed to shareholders). The transaction costs associated with portfolio turnover may adversely affect the Portfolio's performance. The portfolio turnover rates are reported in the Financial Highlights.

Purchases and sales of securities (excluding short-term investments) for the period ended December 31, 2020, were as follows (amounts in thousands<sup>†</sup>):

| U.S. Government/Agency |              | All Other |           |
|------------------------|--------------|-----------|-----------|
| Purchases              | Sales        | Purchases | Sales     |
| \$ 1,043,414           | \$ 1,072,907 | \$ 18,835 | \$ 16,326 |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

As of December 31, 2020, two shareholders each owned 10% or more of the Portfolio's total outstanding shares comprising 32% of the Portfolio. One of the shareholders is a related party and comprises 11% of the Portfolio. Related parties may include, but are not limited to, the investment adviser and its affiliates, affiliated broker dealers, fund of funds and directors or employees of the Trust or Adviser.

### 14. BASIS FOR CONSOLIDATION

The Commodity Subsidiary, a Cayman Islands exempted company, was incorporated on July 21, 2006, as a wholly owned subsidiary acting as an investment vehicle for the Portfolio in order to effect certain investments for the Portfolio consistent with the Portfolio's investment objectives and policies as specified in its prospectus and statement of additional information. The Portfolio's investment portfolio has been consolidated and includes the portfolio holdings of the Portfolio and the Commodity Subsidiary. The consolidated financial statements include the accounts of the Portfolio and the Commodity Subsidiary. All inter-company transactions and balances have been eliminated. A subscription agreement was entered into between the Portfolio and the Commodity Subsidiary on August 1, 2006, comprising the entire issued share capital of the Commodity Subsidiary, with the intent that the Portfolio will remain the sole shareholder and retain all rights. Under the Memorandum and Articles of Association, shares issued by the Commodity Subsidiary confer upon a shareholder the right to receive notice of, to attend and to vote at general meetings of the Commodity Subsidiary and shall confer upon the shareholder rights in a winding-up or repayment of capital and the right to participate in the profits or assets of the Commodity Subsidiary. The net assets of the Commodity Subsidiary as of period end represented 29.3% of the Portfolio's consolidated net assets.

### 15. REGULATORY AND LITIGATION MATTERS

The Portfolio is not named as a defendant in any material litigation or arbitration proceedings and is not aware of any material litigation or claim pending or threatened against it.

The foregoing speaks only as of the date of this report.

### 16. FEDERAL INCOME TAX MATTERS

The Portfolio intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the "Code") and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

The Portfolio may be subject to local withholding taxes, including those imposed on realized capital gains. Any applicable foreign capital gains tax is accrued daily based upon net unrealized gains, and may be payable following the sale of any applicable investments.

In accordance with U.S. GAAP, the Adviser has reviewed the Portfolio's tax positions for all open tax years. As of December 31, 2020, the Portfolio has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

The Portfolio files U.S. federal, state, and local tax returns as required. The Portfolio's tax returns are subject to examination by relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

The Portfolio may gain exposure to the commodities markets primarily through investments in swap agreements, futures and options.

The Portfolio may also gain exposure indirectly to commodity markets by investing in the Commodity Subsidiary, which may invest without limit in commodity-linked swap agreements and other commodity-linked derivative instruments.

One of the requirements for favorable tax treatment as a regulated investment company under the Code is that the Portfolio must derive at least 90% of its gross income from certain qualifying sources of income. The Internal Revenue Service ("IRS") has issued a revenue ruling which holds that income derived from commodity index-linked derivatives, if earned directly by the Portfolio, is not qualifying income under Subchapter M of the Code. The IRS has issued private letter rulings in which the IRS specifically concluded that income derived from an investment in a subsidiary that provides commodity-linked exposure through its investments will be qualifying income. Based on the reasoning in such rulings, the Portfolio will continue to seek to gain exposure to the commodity markets primarily through investments in the Commodity Subsidiary and perhaps through commodity-linked notes.

It should be noted, however, that the IRS currently has ceased the issuance of such rulings. In addition, the IRS also issued a revenue procedure, which states that the IRS will not in the future issue private letter rulings that would require a determination of whether an asset (such as a commodity index-linked note) is a "security" under the Act. The IRS issued in September 2016 proposed regulations that would have generally treated the Portfolio's income inclusion (under Subpart F of the Code) with respect to the Commodity Subsidiary as qualifying income only if there were a distribution during the same taxable year out of the earnings and profits of the Commodity Subsidiary attributable to such income inclusion. In March 2019, the IRS issued final regulations (so modifying the proposed regulations) providing that (i) it will not rule on the determination of whether a financial instrument or position is a security under the Act; (ii) any



earnings and profits paid out in the same taxable year as earned by a controlled foreign corporation to the Portfolio is treated as qualifying dividends; and (iii) that income inclusion by the Portfolio of its Commodity Subsidiary's earnings would be treated as other qualifying income if derived with respect to the Portfolio's business of investing in stock, securities, or currencies.

There can be no assurance that the IRS will not change its position that income derived from commodity-linked notes and wholly-owned subsidiaries is qualifying income. Furthermore, the tax treatment of commodity-linked notes, other commodity-linked derivatives, and the Portfolio's investments in the Commodity Subsidiary may otherwise be adversely affected by future legislation, court decisions, Treasury Regulations and/or guidance issued by the IRS. Such developments could affect the character, timing and/or amount of the Portfolio's taxable income or any distributions made by the Portfolio or result in the inability of the Portfolio to operate as described in its prospectus.

As of December 31, 2020, the components of distributable taxable earnings are as follows (amounts in thousands<sup>†</sup>):

|   | Undistributed Tax Exempt Income | Undistributed Ordinary Income <sup>(1)</sup> | Undistributed Long-Term Capital Gains | Net Tax Basis Unrealized Appreciation/ (Depreciation) <sup>(2)</sup> | Other Book-to-Tax Accounting Differences <sup>(3)</sup> | Accumulated Capital Losses <sup>(4)</sup> | Qualified Late-Year Loss Deferral - Capital <sup>(5)</sup> | Qualified Late-Year Loss Deferral - Ordinary <sup>(6)</sup> |
|---|---------------------------------|--|---------------------------------------|--|---|---|--|---|
| PIMCO CommodityRealReturn <sup>®</sup> Strategy Portfolio | \$ 0                            | \$ 3,712                                     | \$ 0                                  | \$ 9,125   | \$ 0  | \$ (37,589)                               | \$ 0   | \$ 0  |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

<sup>(1)</sup> Includes undistributed short-term capital gains, if any.

<sup>(2)</sup> Adjusted for open wash sale loss deferrals and the accelerated recognition of unrealized gain or loss on certain futures and forward contracts for federal income tax purposes. Also adjusted for differences between book and tax realized and unrealized gain (loss) on swap contracts, treasury inflation-protected securities (TIPS), sale/buyback transactions, straddle loss deferrals, hyper inflationary mark to market, and Controlled Foreign Corporation basis adjustment.

<sup>(3)</sup> Represents differences in income tax regulations and financial accounting principles generally accepted in the United States of America, mainly for distributions payable at fiscal year-end and organizational costs.

<sup>(4)</sup> Capital losses available to offset future net capital gains expire in varying amounts as shown below.

<sup>(5)</sup> Capital losses realized during the period November 1, 2020 through December 31, 2020 which the Portfolio elected to defer to the following taxable year pursuant to income tax regulations.

<sup>(6)</sup> Specified losses realized during the period November 1, 2020 through December 31, 2020 which the Portfolio elected to defer to the following taxable year pursuant to income tax regulations.

Under the Regulated Investment Company Modernization Act of 2010, a portfolio is permitted to carry forward any new capital losses for an unlimited period. Additionally, such capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term under previous law.

As of December 31, 2020, the Portfolio had the following post-effective capital losses with no expiration (amounts in thousands<sup>†</sup>):

|   | Short-Term | Long-Term |
|---|------------|-----------|
| PIMCO CommodityRealReturn <sup>®</sup> Strategy Portfolio | \$ 10,202  | \$ 27,387 |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

If, during a taxable year, the Commodity Subsidiary's taxable losses (and other deductible items) exceed its income and gains, the net loss will not pass through to the Portfolio as a deductible amount for income tax purposes. In the event the Commodity Subsidiary's taxable gains exceed its losses and other deductible items during a taxable year, the net gain will pass through to the Portfolio as ordinary income for Federal income tax purposes.

Shares of the Portfolio currently are sold to segregated asset accounts ("Separate Accounts") of insurance companies that fund variable annuity contracts and variable life insurance policies ("Variable Contracts"). Please refer to the prospectus for the Separate Account and Variable Contract for information regarding Federal income tax treatment of distributions to the Separate Account.

As of December 31, 2020, the aggregate cost and the net unrealized appreciation/(depreciation) of investments for federal income tax purposes are as follows (amounts in thousands<sup>†</sup>):

|   | <b>Federal<br/>Tax Cost</b> | <b>Unrealized<br/>Appreciation</b> | <b>Unrealized<br/>(Depreciation)</b> | <b>Net Unrealized<br/>Appreciation/<br/>(Depreciation)<sup>(7)</sup></b> |
|---|-----------------------------|------------------------------------|--------------------------------------|--|
| PIMCO CommodityRealReturn <sup>®</sup> Strategy Portfolio | \$ 532,508                  | \$ 13,761                          | \$ (4,584)                           | \$ 9,177   |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

<sup>(7)</sup> Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) on investments are attributable to open wash sale loss deferrals, unrealized gain or loss on certain futures and forward contracts, treasury inflation protected securities (TIPS), sale/buyback transactions, realized and unrealized gain (loss) swap contracts, straddle loss deferrals, hyper inflationary mark to market, and Controlled Foreign Corporation basis adjustment.

For the fiscal year ended December 31, 2020 and December 31, 2019, respectively, the Portfolio made the following tax basis distributions (amounts in thousands<sup>†</sup>):

|  | <b>December 31, 2020</b>                       |  |   |  | <b>December 31, 2019</b>                       |  |   |  |
|--|--|--|---|--|--|--|---|--|
|  | <b>Tax-Exempt<br/>Income<br/>Distributions</b> | <b>Ordinary<br/>Income<br/>Distributions<sup>(8)</sup></b> | <b>Long-Term<br/>Capital Gain<br/>Distributions</b> | <b>Return of<br/>Capital<sup>(9)</sup></b> | <b>Tax-Exempt<br/>Income<br/>Distributions</b> | <b>Ordinary<br/>Income<br/>Distributions<sup>(8)</sup></b> | <b>Long-Term<br/>Capital Gain<br/>Distributions</b> | <b>Return of<br/>Capital<sup>(9)</sup></b> |
| PIMCO CommodityRealReturn <sup>®</sup><br>Strategy Portfolio | \$ 0   | \$ 18,900  | \$ 0  | \$ 0                                       | \$ 0   | \$ 14,751  | \$ 0  | \$ 0                                       |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

<sup>(8)</sup> Includes short-term capital gains distributed, if any.

<sup>(9)</sup> A portion of the distributions made represents a tax return of capital. Return of capital distributions have been reclassified from undistributed net investment income to paid-in capital to more appropriately conform financial accounting to tax accounting.

## Report of Independent Registered Public Accounting Firm

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To the Board of Trustees of PIMCO Variable Insurance Trust and Shareholders of PIMCO CommodityRealReturn® Strategy Portfolio

### Opinion on the Financial Statements

We have audited the accompanying consolidated statement of assets and liabilities, including the consolidated schedule of investments, of PIMCO CommodityRealReturn® Strategy Portfolio and its subsidiary (one of the portfolios constituting PIMCO Variable Insurance Trust, hereafter referred to as the "Portfolio") as of December 31, 2020, the related consolidated statements of operations and cash flows for the year ended December 31, 2020, the consolidated statement of changes in net assets for each of the two years in the period ended December 31, 2020, including the related notes, and the financial highlights (consolidated) for each of the five years in the period ended December 31, 2020 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2020, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2020 and the financial highlights for each of the five years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These consolidated financial statements are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on the Portfolio's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Portfolio in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP  
Kansas City, Missouri

February 18, 2021

We have served as the auditor of one or more investment companies in PIMCO Variable Insurance Trust since 1998.

**Counterparty Abbreviations:**

|            |                                       |            |  |            |                                 |
|------------|---------------------------------------|------------|--|------------|---------------------------------|
| <b>BOA</b> | Bank of America N.A.                  | <b>GSC</b> | Goldman Sachs & Co. LLC                            | <b>RBC</b> | Royal Bank of Canada            |
| <b>BPG</b> | BNP Paribas Securities Corp.          | <b>GST</b> | Goldman Sachs International                        | <b>SAL</b> | Citigroup Global Markets, Inc.  |
| <b>BPS</b> | BNP Paribas S.A.                      | <b>HUS</b> | HSBC Bank USA N.A.                                 | <b>SCX</b> | Standard Chartered Bank, London |
| <b>BRC</b> | Barclays Bank PLC                     | <b>IND</b> | Crédit Agricole Corporate and Investment Bank S.A. | <b>SOG</b> | Societe Generale Paris          |
| <b>CBK</b> | Citibank N.A.                         | <b>JPM</b> | JP Morgan Chase Bank N.A.                          | <b>SSB</b> | State Street Bank and Trust Co. |
| <b>CIB</b> | Canadian Imperial Bank of Commerce    | <b>MAC</b> | Macquarie Bank Limited                             | <b>TDL</b> | Toronto Dominion Bank London    |
| <b>DUB</b> | Deutsche Bank AG                      | <b>MEI</b> | Merrill Lynch International                        | <b>TDM</b> | TD Securities (USA) LLC         |
| <b>FAR</b> | Wells Fargo Bank National Association | <b>MYC</b> | Morgan Stanley Capital Services LLC                | <b>TOR</b> | The Toronto-Dominion Bank       |
| <b>FBF</b> | Credit Suisse International           | <b>MYI</b> | Morgan Stanley & Co. International PLC             | <b>UAG</b> | UBS AG Stamford                 |
| <b>GLM</b> | Goldman Sachs Bank USA                |            |  |            |                                 |

**Currency Abbreviations:**

|            |                   |            |                |                    |                      |
|------------|-------------------|------------|----------------|--------------------|----------------------|
| <b>ARS</b> | Argentine Peso    | <b>GBP</b> | British Pound  | <b>NZD</b>         | New Zealand Dollar   |
| <b>AUD</b> | Australian Dollar | <b>ILS</b> | Israeli Shekel | <b>PEN</b>         | Peruvian New Sol     |
| <b>CAD</b> | Canadian Dollar   | <b>JPY</b> | Japanese Yen   | <b>USD (or \$)</b> | United States Dollar |
| <b>EUR</b> | Euro              | <b>MXN</b> | Mexican Peso   |                    |                      |

**Exchange Abbreviations:**

|             |                           |              |   |              |                              |
|-------------|---------------------------|--------------|---|--------------|------------------------------|
| <b>CBOT</b> | Chicago Board of Trade    | <b>KCBT</b>  | Kansas City Board of Trade                  | <b>NYMEX</b> | New York Mercantile Exchange |
| <b>ICE</b>  | IntercontinentalExchange® | <b>MEHCO</b> | Magellan East Houston WTI Crude Oil Options | <b>OTC</b>   | Over the Counter             |

**Index/Spread Abbreviations:**

|                  |   |                  |  |                 |   |
|------------------|---|------------------|--|-----------------|---|
| <b>BADLARPP</b>  | Argentina Badlar Floating Rate Notes                                    | <b>CPALEMU</b>   | Euro Area All Items Non-Seasonally Adjusted Index      | <b>JMABNIC2</b> | J.P. Morgan Custom Commodity Index                            |
| <b>BCOMF1TC</b>  | Bloomberg Commodity Index 1-Month Forward Total Return                  | <b>CPTFEMU</b>   | Eurozone HICP ex-Tobacco Index                         | <b>LLSCO</b>    | Light Louisiana Sweet WTI Crude Oil Options                   |
| <b>BCOMTR</b>    | Bloomberg Commodity Index Total Return                                  | <b>CPURNSA</b>   | Consumer Price All Urban Non-Seasonally Adjusted Index | <b>MEHMID</b>   | Magellan East Houston WTI Crude Oil vs. WTI Midland Crude Oil |
| <b>BRENT</b>     | Brent Crude   | <b>EURMARGIN</b> | European Refined Margin                                | <b>PIMCODB</b>  | PIMCO Custom Commodity Basket                                 |
| <b>CDX.HY</b>    | Credit Derivatives Index - High Yield                                   | <b>EUROBOBCO</b> | Margin Eurobob Gasoline vs. Brent                      | <b>RBCAEC</b>   | Custom Commodity Forward Index                                |
| <b>CDX.IG</b>    | Credit Derivatives Index - Investment Grade                             | <b>FRCPXTOB</b>  | France Consumer Price ex-Tobacco Index                 | <b>UKRPI</b>    | United Kingdom Retail Prices Index                            |
| <b>CIXBSTR3</b>  | Custom Commodity Index  | <b>GOLDLNPM</b>  | London Gold Market Fixing Ltd. PM                      | <b>ULSD</b>     | Ultra-Low Sulfur Diesel                                       |
| <b>CMBX</b>      | Commercial Mortgage-Backed Index  | <b>HOBRE</b>     | Heating Oil Brent Crude                                | <b>ULSDCO</b>   | Ultra-Low Sulfur Diesel Crude                                 |
| <b>CMDSKEWLS</b> | CBE0 SKEW Index is an index derived from the price of S&P 500 tail risk | <b>JMABFNJ</b>   | J.P. Morgan Custom Commodity Index                     | <b>US0003M</b>  | ICE 3-Month USD LIBOR   |

**Other Abbreviations:**

|            |   |                |                                    |             |  |
|------------|---|----------------|------------------------------------|-------------|--|
| <b>BBR</b> | Bank Bill Rate  | <b>EURIBOR</b> | Euro Interbank Offered Rate        | <b>RBOB</b> | Reformulated Blendstock for Oxygenate Blending |
| <b>BTP</b> | Buoni del Tesoro Poliennali "Long-term Treasury Bond" | <b>LIBOR</b>   | London Interbank Offered Rate      | <b>TBA</b>  | To-Be-Announced                                |
| <b>CLO</b> | Collateralized Loan Obligation                        | <b>OAT</b>     | Obligations Assimilables du Trésor | <b>WTI</b>  | West Texas Intermediate                        |
| <b>DAC</b> | Designated Activity Company                           | <b>oz.</b>     | Ounce                              |             |  |

## Federal Income Tax Information

(Unaudited)

As required by the Internal Revenue Code (the "Code") and Treasury Regulations, if applicable, shareholders must be notified regarding the status of qualified dividend income and the dividend received deduction.

**Dividend Received Deduction.** Corporate shareholders are generally entitled to take the dividend received deduction on the portion of a Portfolio's dividend distribution that qualifies under tax law. The percentage of the following Portfolio's fiscal 2020 ordinary income dividend that qualifies for the corporate dividend received deduction is set forth in the table below.

**Qualified Dividend Income.** Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, the percentage of ordinary dividends paid during the calendar year designated as "qualified dividend income", as defined in the Jobs and Growth Tax Relief Reconciliation Act of 2003, subject to reduced tax rates in 2020 is set forth for the Portfolio in the table below.

**Qualified Interest Income and Qualified Short-Term Capital Gain (for non-U.S. resident shareholders only).** Under the American Jobs Creation Act of 2004, the amounts of ordinary dividends paid during the fiscal year ended December 31, 2020 considered to be derived from "qualified interest income," as defined in Section 871(k)(1)(E) of the Code, and therefore designated as interest-related dividends, as defined in Section 871(k)(1)(C) of the Code are set forth in the table below. Further, the amounts of ordinary dividends paid during the fiscal year ended December 31, 2020 considered to be derived from "qualified short-term capital gain," as defined in Section 871(k)(2)(D) of the Code, and therefore designated as qualified short-term gain dividends, as defined by Section 871(k)(2)(C) of the Code are also set forth in the table below.

|   | <b>Dividend<br/>Received<br/>Deduction<br/>%</b> | <b>Qualified<br/>Dividend<br/>Income<br/>%</b> | <b>Qualified<br/>Interest<br/>Income<br/>(000s<sup>†</sup>)</b> | <b>Qualified<br/>Short-Term<br/>Capital Gain<br/>(000s<sup>†</sup>)</b> |
|---|--|--|---|---|
| PIMCO CommodityRealReturn® Strategy Portfolio | 0.00%  | 0.00%  | \$ 728  | \$ 0  |

<sup>†</sup> A zero balance may reflect actual amounts rounding to less than one thousand.

**Section 163(j) Interest Dividends.** The portfolio intends to pass through the maximum amount allowable as Section 163(j) Interest Dividends as defined in Proposed Treasury Section 1.163(j)-1(b).

The 163(j) percentage of ordinary income distributions are as follows:

|   | <b>163(j) Interest<br/>Dividends<br/>%</b> |
|---|--|
| PIMCO CommodityRealReturn® Strategy Portfolio | 17.75%                                     |

Shareholders are advised to consult their own tax advisor with respect to the tax consequences of their investment in the Trust. In January 2021, you will be advised on IRS Form 1099-DIV as to the federal tax status of the dividends and distributions received by you in calendar year 2020.

## Management of the Trust

The charts below identify the Trustees and executive officers of the Trust. Unless otherwise indicated, the address of all persons below is 650 Newport Center Drive, Newport Beach, CA 92660.

The Portfolio's Statement of Additional Information includes more information about the Trustees and Officers. To request a free copy, call PIMCO at (888) 87-PIMCO or visit the Portfolio's website at [www.pimco.com/pvit](http://www.pimco.com/pvit).

| Name, Year of Birth and Position Held with Trust*                          | Term of Office and Length of Time Served†                               | Principal Occupation(s) During Past 5 Years  | Number of Funds in Fund Complex Overseen by Trustee | Other Public Company and Investment Company Directorships Held by Trustee During the Past 5 Years   |
|--|---|--|---|---|
| <b>Interested Trustees<sup>1</sup></b>                                     |   |  |   |   |
| <b>Peter G. Strelow (1970)</b><br><i>Chairman of the Board and Trustee</i> | 05/2017 to present<br><br>Chairman of the Board - 02/2019 to present    | Managing Director and Co-Chief Operating Officer, PIMCO. Senior Vice President of the Trust, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Chief Administrative Officer, PIMCO. | 149   | Chairman and Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT.   |
| <b>Brent R. Harris (1959)</b><br><i>Trustee</i>                            | 08/1997 to present  | Formerly, Senior Vice President of the Trust, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Managing Director, PIMCO, and member of Executive Committee, PIMCO.   | 149   | Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT. Formerly, Director, StocksPLUS <sup>®</sup> Management, Inc; member of Board of Governors, Investment Company Institute; and Chairman, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT. |
| <b>Independent Trustees</b>  |   |  |   |   |
| <b>George E. Borst (1948)</b><br><i>Trustee</i>                            | 04/2015 to present  | Executive Advisor, McKinsey & Company (since 10/14); Formerly, Executive Advisor, Toyota Financial Services (10/13-12/14); and CEO, Toyota Financial Services (1/01-9/13).   | 149   | Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, MarineMax Inc.  |
| <b>Jennifer Holden Dunbar (1963)</b><br><i>Trustee</i>                     | 04/2015 to present  | Managing Director, Dunbar Partners, LLC (business consulting and investments). Formerly, Partner, Leonard Green & Partners, L.P.   | 149   | Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, PS Business Parks; Director, Big 5 Sporting Goods Corporation.  |
| <b>Kym M. Hubbard (1957)</b><br><i>Trustee</i>                             | 02/2017 to present  | Formerly, Global Head of Investments, Chief Investment Officer and Treasurer, Ernst & Young.   | 149   | Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, State Auto Financial Corporation.   |
| <b>Gary F. Kennedy (1955)</b><br><i>Trustee</i>                            | 04/2015 to present  | Formerly, Senior Vice President, General Counsel and Chief Compliance Officer, American Airlines and AMR Corporation (now American Airlines Group) (1/03-1/14).  | 149   | Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.   |
| <b>Peter B. McCarthy (1950)</b><br><i>Trustee</i>                          | 04/2015 to present  | Formerly, Assistant Secretary and Chief Financial Officer, United States Department of Treasury; Deputy Managing Director, Institute of International Finance.   | 149   | Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.   |
| <b>Ronald C. Parker (1951)</b><br><i>Lead Independent Trustee</i>          | 07/2009 to present<br><br>Lead Independent Trustee - 02/2017 to present | Director of Roseburg Forest Products Company. Formerly, Chairman of the Board, The Ford Family Foundation; and President, Chief Executive Officer, Hampton Affiliates (forestry products).   | 149   | Lead Independent Trustee, PIMCO Funds and PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.   |

\* Unless otherwise noted, the information for the individuals listed is as of February 3, 2021.

<sup>1</sup> Mr. Harris and Mr. Strelow are "interested persons" of the Trust (as that term is defined in the Act) because of their affiliations with PIMCO.

† Trustees serve until their successors are duly elected and qualified.

## Executive Officers

| Name, Year of Birth and Position Held with Trust*                                   | Term of Office and Length of Time Served | Principal Occupation(s) During Past 5 Years†   |
|---|--|--|
| <b>Eric D. Johnson (1970)</b><br><i>President</i>                                   | 06/2019 to present                       | Executive Vice President and Head of Funds Business Group Americas, PIMCO. President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.   |
| <b>David C. Flattum (1964)</b><br><i>Chief Legal Officer</i>                        | 05/2019 to present                       | Managing Director and General Counsel, PIMCO. Chief Legal Officer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Managing Director, Chief Operating Officer and General Counsel, Allianz Asset Management of America L.P.   |
| <b>Keisha Audain-Pressley (1975)**</b><br><i>Chief Compliance Officer</i>           | 01/2020 to present                       | Executive Vice President and Deputy Chief Compliance Officer, PIMCO. Chief Compliance Officer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.  |
| <b>Joshua D. Ratner (1976)**</b><br><i>Senior Vice President</i>                    | 05/2019 to present                       | Executive Vice President and Head of Americas Operations, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.   |
| <b>Peter G. Strelow (1970)</b><br><i>Senior Vice President</i>                      | 06/2019 to present                       | Managing Director and Co-Chief Operating Officer, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Chief Administrative Officer, PIMCO.  |
| <b>Ryan G. Leshaw (1980)</b><br><i>Vice President, Senior Counsel and Secretary</i> | 11/2018 to present                       | Executive Vice President and Senior Counsel, PIMCO. Vice President, Senior Counsel and Secretary, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Chief Legal Officer, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Associate, Wilkie Farr & Gallagher LLP.         |
| <b>Wu-Kwan Kit (1981)</b><br><i>Assistant Secretary</i>                             | 08/2017 to present                       | Senior Vice President and Senior Counsel, PIMCO. Assistant Secretary, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Vice President, Senior Counsel and Secretary, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Assistant General Counsel, VanEck Associates Corp. |
| <b>Jeffrey A. Byer (1976)</b><br><i>Vice President</i>                              | 02/2020 to present                       | Executive Vice President, PIMCO. Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.  |
| <b>Brian J. Pittluck (1977)</b><br><i>Vice President</i>                            | 01/2020 to present                       | Senior Vice President, PIMCO. Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.   |
| <b>Bijal Y. Parikh (1978)</b><br><i>Treasurer</i>                                   | 01/2021 to present                       | Senior Vice President, PIMCO. Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.  |
| <b>Erik C. Brown (1967)**</b><br><i>Assistant Treasurer</i>                         | 02/2001 to present                       | Executive Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.   |
| <b>Brandon T. Evans (1982)</b><br><i>Assistant Treasurer</i>                        | 05/2019 to present                       | Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.   |
| <b>Colleen D. Miller (1980)**</b><br><i>Assistant Treasurer</i>                     | 02/2017 to present                       | Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Deputy Treasurer, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.   |
| <b>Jason J. Nagler (1982)***</b><br><i>Assistant Treasurer</i>                      | 05/2015 to present                       | Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.  |
| <b>H. Jessica Zhang (1973)**</b><br><i>Assistant Treasurer</i>                      | 01/2020 to present                       | Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.  |

\* Unless otherwise noted, the information for the individuals listed is as of January 1, 2021.

† The term "PIMCO-Sponsored Closed-End Funds" as used herein includes: PIMCO California Municipal Income Fund, PIMCO California Municipal Income Fund II, PIMCO California Municipal Income Fund III, PIMCO Municipal Income Fund, PIMCO Municipal Income Fund II, PIMCO Municipal Income Fund III, PIMCO New York Municipal Income Fund, PIMCO New York Municipal Income Fund II, PIMCO New York Municipal Income Fund III, PIMCO Fund Inc., PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, PIMCO Dynamic Credit and Mortgage Income Fund, PIMCO Dynamic Income Fund, PIMCO Dynamic Income Opportunity Fund, PIMCO Energy and Tactical Credit Opportunities Fund, PIMCO Global StocksPLUS® & Income Fund, PIMCO High Income Fund, PIMCO Income Opportunity Fund, PIMCO Income Strategy Fund, PIMCO Income Strategy Fund II and PIMCO Strategic Income Fund, Inc.; the term "PIMCO-Sponsored Interval Funds" as used herein includes: PIMCO Flexible Credit Income Fund and PIMCO Flexible Municipal Income Fund.

\*\* The address of these officers is Pacific Investment Management Company LLC, 1633 Broadway, New York, New York 10019.

\*\*\* The address of these officers is Pacific Investment Management Company LLC, 401 Congress Ave., Austin, Texas 78701.

The Trust<sup>2,3</sup> consider customer privacy to be a fundamental aspect of their relationships with shareholders and are committed to maintaining the confidentiality, integrity and security of their current, prospective and former shareholders' non-public personal information. The Trust has developed policies that are designed to protect this confidentiality, while allowing shareholder needs to be served.

#### **OBTAINING NON-PUBLIC PERSONAL INFORMATION**

In the course of providing shareholders with products and services, the Trust and certain service providers to the Trust, such as the Trust's investment advisers or sub-advisers ("Advisers"), may obtain non-public personal information about shareholders, which may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from shareholder transactions, from a shareholder's brokerage or financial advisory firm, financial professional or consultant, and/or from information captured on applicable websites.

#### **RESPECTING YOUR PRIVACY**

As a matter of policy, the Trust does not disclose any non-public personal information provided by shareholders or gathered by the Trust to non-affiliated third parties, except as required or permitted by law or as necessary for such third parties to perform their agreements with respect to the Trust. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on shareholder satisfaction and gathering shareholder proxies. The Trust or its affiliates may also retain non-affiliated companies to market Trust's shares or products which use Trust's shares and enter into joint marketing arrangements with them and other companies. These companies may have access to a shareholder's personal and account information, but are permitted to use this information solely to provide the specific service or as otherwise permitted by law. In most cases, the shareholders will be clients of a third party, but the Trust may also provide a shareholder's personal and account information to the shareholder's respective brokerage or financial advisory firm and/or financial professional or consultant.

#### **SHARING INFORMATION WITH THIRD PARTIES**

The Trust reserves the right to disclose or report personal or account information to non-affiliated third parties in limited circumstances where the Trust believes in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect their rights or property, or upon reasonable request by any fund in which a shareholder has invested. In addition, the Trust may disclose information about a shareholder or a shareholder's accounts to a non-affiliated third party at the shareholder's request or with the consent of the shareholder.

#### **SHARING INFORMATION WITH AFFILIATES**

The Trust may share shareholder information with their affiliates in connection with servicing shareholders' accounts, and subject to applicable law may provide shareholders with information about products and services that the Trust or its Advisers, distributors or their affiliates ("Service Affiliates") believe may be of interest to such shareholders. The information that the Trust may share may include, for example, a shareholder's participation in the Trust or in other investment programs sponsored by a Service Affiliate, a shareholder's ownership of certain types of accounts (such as IRAs), information about the Trust's experiences or transactions with a shareholder, information captured on applicable websites, or other data about a shareholder's accounts, subject to applicable law. The Trust's Service Affiliates, in turn, are not permitted to share shareholder information with non-affiliated entities, except as required or permitted by law.

#### **PROCEDURES TO SAFEGUARD PRIVATE INFORMATION**

The Trust takes seriously the obligation to safeguard shareholder non-public personal information. In addition to this policy, the Trust has implemented procedures that are designed to restrict access to a shareholder's non-public personal information to internal personnel who need to know that information to perform their jobs, such as servicing shareholder accounts or notifying shareholders of new products or services. Physical, electronic and procedural safeguards are in place to guard a shareholder's non-public personal information.

#### **INFORMATION COLLECTED FROM WEBSITES**

The Trust or its service providers and partners may collect information from shareholders via websites they maintain. The information collected via websites maintained by the Trust or their service providers includes client non-public personal information.

#### **CHANGES TO THE PRIVACY POLICY**

From time to time, the Trust may update or revise this privacy policy. If there are changes to the terms of this privacy policy, documents containing the revised policy on the relevant website will be updated.

<sup>1</sup> Amended as of June 25, 2020.

<sup>2</sup> PIMCO Investments LLC ("PI") serves as the Trust's distributor and does not provide brokerage services or any financial advice to investors in the Trust solely because it distributes the Trust. This Privacy Policy applies to the activities of PI to the extent that PI regularly effects or engages in transactions with or for a shareholder of a series of a Trust who is the record owner of such shares. For purposes of this Privacy Policy, references to "the Trust" shall include PI when acting in this capacity.

<sup>3</sup> When distributing this Policy, the Trust may combine the distribution with any similar distribution of its investment adviser's privacy policy. The distributed, combined, policy may be written in the first person (i.e. by using "we" instead of "the Trust").



## Approval of Renewal of the Amended and Restated Investment Advisory Contract, Supervision and Administration Agreement, Amended and Restated Asset Allocation Sub-Advisory Agreement and Investment Management Agreements

At a meeting held on August 18-19, 2020, the Board of Trustees (the "Board") of PIMCO Variable Insurance Trust (the "Trust"), including the Trustees who are not "interested persons" of the Trust under the Investment Company Act of 1940, as amended (the "Independent Trustees"), considered and unanimously approved the renewal of the Amended and Restated Investment Advisory Contract (the "Investment Advisory Contract") between the Trust, on behalf of the Trust's series (each a "Portfolio," and collectively, the "Portfolios"), and Pacific Investment Management Company LLC ("PIMCO"), for an additional one-year term through August 31, 2021.<sup>1</sup> The Board also considered and unanimously approved the renewal of the Supervision and Administration Agreement (the "Supervision and Administration Agreement") between the Trust, on behalf of the Portfolios, and PIMCO for an additional one-year term through August 31, 2021. In addition, the Board considered and unanimously approved the renewal of the Amended and Restated Asset Allocation Sub-Advisory Agreement (the "Asset Allocation Agreement") between PIMCO, on behalf of PIMCO All Asset Portfolio, a series of the Trust, and Research Affiliates, LLC ("Research Affiliates") for an additional one-year term through August 31, 2021.

In addition, the Board considered and unanimously approved the renewal of the Investment Management Agreements between PIMCO and each of the wholly-owned subsidiaries (each, a "Subsidiary" and, collectively, the "Subsidiaries") of certain of the Portfolios (collectively, the "Subsidiary Agreements" and, together with the Investment Advisory Contract and the Supervision and Administration Agreement, the "Agreements"), each for the same additional one-year period.

The information, material factors and conclusions that formed the basis for the Board's approvals are summarized below.

### 1. INFORMATION RECEIVED

(a) **Materials Reviewed:** During the course of the past year, the Trustees received a wide variety of materials relating to the services provided by PIMCO and Research Affiliates to the Trust. At each of its quarterly meetings, the Board reviewed the Portfolios' investment performance and a significant amount of information relating to

Portfolio operations, including shareholder services, valuation and custody, the Portfolios' compliance program and other information relating to the nature, extent and quality of services provided by PIMCO and Research Affiliates to the Trust and each of the Portfolios, as applicable. In considering whether to approve the renewal of the Agreements and the Asset Allocation Agreement, the Board reviewed additional information, including, but not limited to: comparative industry data with regard to investment performance; advisory and supervisory and administrative fees and expenses; financial information for PIMCO and, where relevant, financial information for Research Affiliates; information regarding the profitability to PIMCO of its relationship with the Portfolios; information about the personnel providing investment management services, other advisory services and supervisory and administrative services to the Portfolios; and information about the fees charged and services provided to other clients with similar investment mandates as the Portfolios, where applicable. In addition, the Board reviewed materials provided by counsel to the Trust and the Independent Trustees, which included, among other things, a memorandum outlining legal duties of the Board in considering the renewal of the Agreements and the Asset Allocation Agreement.

With respect to the Subsidiary Agreements, the Trustees considered that each Portfolio that has a Subsidiary may utilize its Subsidiary to execute its investment strategy and that PIMCO provides investment advisory and administrative services to the Subsidiaries pursuant to the Subsidiary Agreements in the same manner as it does for such Portfolios that have Subsidiaries under the Investment Advisory Contract and Supervision and Administration Agreement. The Trustees also considered that, with respect to each Subsidiary, PIMCO does not retain a separate advisory or other fee from the Subsidiary, and that PIMCO's profitability with respect to each Portfolio that has a Subsidiary is not positively impacted as a result of the Subsidiary Agreements. The Trustees determined, therefore, that it was appropriate to consider the approval of the Subsidiary Agreements collectively with their consideration of the Investment Advisory Contract and Supervision and Administration Agreement.

(b) **Review Process:** In connection with considering the renewal of the Agreements and the Asset Allocation Agreement, the Board reviewed written materials prepared by PIMCO and, where applicable, Research Affiliates in response to requests from counsel to the Trust and the Independent Trustees encompassing a wide variety of topics. The Board requested and received assistance and advice regarding, among other

<sup>1</sup> The Board, including a majority of the Independent Trustees, determined to rely on the relief granted by a temporary exemptive order issued by the U.S. Securities and Exchange Commission (the "SEC") under the Investment Company Act of 1940 that permits fund boards of trustees to approve advisory contracts at a meeting held by remote communications that allows participating trustees to hear one another simultaneously, rather than in-person, in light of the impact of the novel coronavirus ("COVID-19") pandemic and restrictions on travel and in-person gatherings. The Board determined that reliance on the exemptive order was necessary and appropriate due to circumstances related to current or potential effects of the COVID-19 pandemic and government-mandated restrictions, and prior to commencing the approval meeting, the Board confirmed that all Board members could hear each other simultaneously during the meeting. The Board noted that it would ratify any actions taken at this meeting pursuant to the SEC relief at its next in-person meeting.

things, applicable legal standards from counsel to the Trust and the Independent Trustees, and reviewed comparative fee and performance data prepared at the Board's request by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company performance information and fee and expense data. The Board received presentations from PIMCO and, where applicable, Research Affiliates, on matters related to the Agreements and the Asset Allocation Agreement and met both as a full Board and in a separate session of the Independent Trustees, without management present, at the August 18-19, 2020 meeting. The Independent Trustees also met telephonically with counsel to the Trust and the Independent Trustees, including telephonic meetings on July 10, 2020 and July 30, 2020, and conducted a telephonic meeting on July 31, 2020 with management and counsel to the Trust and the Independent Trustees to discuss the materials presented and other matters deemed relevant to their consideration of the renewal of the Agreements and the Asset Allocation Agreement. In connection with its review of the Agreements and the Asset Allocation Agreement, the Board received comparative information on the performance, the risk-adjusted performance and the fees and expenses of other peer group funds and share classes. The Independent Trustees also requested and received supplemental information, including information regarding Portfolio performance and profitability.

The approval determinations were made on the basis of each Trustee's business judgment after consideration and evaluation of all the information presented. Individual Trustees may have given different weights to certain factors and assigned various degrees of materiality to information received in connection with the approval process. In deciding to approve the renewal of the Agreements and the Asset Allocation Agreement, the Board did not identify any single factor or particular information that, in isolation, was controlling. The discussion below is intended to summarize the broad factors and information that figured prominently in the Board's consideration of the renewal of the Agreements and the Asset Allocation Agreement, but is not intended to summarize all of the factors considered by the Board.

## 2. NATURE, EXTENT AND QUALITY OF SERVICES

(a) **PIMCO, Research Affiliates, their Personnel, and Resources:** The Board considered the depth and quality of PIMCO's investment management process, including, but not limited to: the experience, capability and integrity of its senior management and other personnel; the overall financial strength and stability of its organization; and the ability of its organizational structure to address changes in the Portfolios' asset levels. The Board also considered the various services in addition to portfolio management that PIMCO provides under the Investment Advisory Contract. The Board noted that PIMCO makes available to its investment professionals a variety of resources and

systems relating to investment management, compliance, trading, performance and portfolio accounting. The Board also noted PIMCO's commitment to enhancing and investing in its global infrastructure, technology capabilities, risk management processes and the specialized talent needed to stay at the forefront of the competitive investment management industry and to strengthen its ability to deliver services under the Agreements. The Board considered PIMCO's policies, procedures and systems reasonably designed to assure compliance with applicable laws and regulations, including new regulations impacting the Portfolios, and its commitment to further developing and strengthening these programs; its oversight of matters that may involve conflicts of interest between the Portfolios' investments and those of other accounts managed by PIMCO; and its efforts to keep the Trustees informed about matters relevant to the Portfolios and their shareholders. The Board also considered PIMCO's continuous investment in new disciplines and talented personnel, which has enhanced PIMCO's services to the Portfolios and has allowed PIMCO to introduce innovative new portfolios over time. In addition, the Board considered the nature, extent and quality of services provided by PIMCO to the wholly-owned subsidiaries of certain applicable Portfolios.

In addition, the Trustees considered new services and service enhancements that PIMCO has implemented, including, but not limited to investing in its cybersecurity program and business continuity functions, including the build-out of a new data center; funding projects and initiatives in support of the Portfolios; improving PIMCO governance and oversight of key fund administration processes; expanding and engaging a technology consultant to improve certain performance reconciliation processes; enhancing PIMCO's oversight over certain of the Portfolios' service providers; continuing to develop initiatives related to pricing, including, among other items, development of pricing tools and capabilities and continued extensive due diligence regarding pricing vendors; forming a new internal group responsible for the operational aspects of the Liquidity Risk Management Programs; developing compliance and operations processes in connection with regulatory developments; continuing to invest in PIMCO's technology infrastructure; continuing oversight by the Americas Fund Oversight Committee, which provides senior-level oversight and supervision focused on new and ongoing fund-related business opportunities; expanding engagement with a third party service provider to provide certain additional fund administration services subject to PIMCO's oversight; investing in the Fund Treasurer's Office; enhancing a proprietary application to support new trading strategies and increase data precision and administration control; developing a global tax management application that will enable investment professionals to access foreign market and security tax information on a real-time basis; utilizing a service provider's proprietary software and managed service model to timely meet

N-PORT and N-CEN regulatory requirements; upgrading a proprietary application to allow shareholder subscription and redemption data to pass to portfolio managers more quickly and efficiently; implementing a contingent NAV process; continuing to advocate in the public policy arena; developing a proprietary tool to monitor and facilitate potential interfund lending; utilizing a third-party software technology to allow portfolio management teams to run pre-trade calculations regarding new exchange-traded and cleared derivatives; and developing technology solutions to leverage artificial intelligence and machine learning. Similarly, the Board considered the asset allocation services provided by Research Affiliates to the PIMCO All Asset Portfolio. The Board further considered PIMCO's oversight of Research Affiliates in connection with Research Affiliates providing asset allocation services to the All Asset Portfolio. The Board also considered the depth and quality of Research Affiliates' investment management and research capabilities, the experience and capabilities of its portfolio management personnel and the overall financial strength of the organization.

Ultimately, the Board concluded that the nature, extent and quality of services provided or procured by PIMCO under the Agreements and provided by Research Affiliates under the Asset Allocation Agreement are likely to continue to benefit the Portfolios and their shareholders, as applicable.

**(b) Other Services:** The Board also considered the nature, extent and quality of supervisory and administrative services provided by PIMCO to the Portfolios under the Supervision and Administration Agreement.

The Board considered the terms of the Supervision and Administration Agreement, under which the Trust pays for the supervisory and administrative services provided pursuant to that agreement under what is essentially an all-in fee structure (the "unified fee"). In return, PIMCO provides or procures certain supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including, but not limited to, audit, custodial, portfolio accounting, ordinary legal, transfer agency, sub-accounting and printing costs. The Board noted that the scope and complexity, as well as the costs, of the supervisory and administrative services provided by PIMCO under the Supervision and Administration Agreement continue to increase. The Board considered PIMCO's provision of supervisory and administrative services and its supervision of the Trust's third party service providers to assure that these service providers continue to provide a high level of service relative to alternatives available in the market.

Ultimately, the Board concluded that the nature, extent and quality of the services provided or procured by PIMCO has benefited, and will likely continue to benefit, the Portfolios and their shareholders.

### 3. INVESTMENT PERFORMANCE

The Board reviewed information from PIMCO concerning the Portfolios' performance, as available, over short- and long-term periods ended March 31, 2020 and other performance data, as available, over short- and long-term periods ended June 30, 2020 (the "PIMCO Report") and from Broadridge concerning the Portfolios' performance, as available, over short- and long-term periods ended March 31, 2020 (the "Broadridge Report").

The Board considered information regarding both the short- and long-term investment performance of each Portfolio relative to its peer group and relevant benchmark index as provided to the Board in advance of each of its quarterly meetings throughout the year, including the PIMCO Report and Broadridge Report, which were provided in advance of the August 18-19, 2020 meeting. The Trustees reviewed information indicating that classes of each Portfolio would have substantially similar performance to that of the Administrative Class of the relevant Portfolio on a relative basis because all of the classes are invested in the same portfolio of investments and that differences in performance among classes could principally be attributed to differences in the supervisory and administrative fees and distribution and servicing expenses of each class. The Board noted that, due to differences (such as specific investment strategies or fee structures) between certain of the Portfolios and their so-called peers in the Broadridge categories, performance comparisons may not be particularly relevant to the consideration of Portfolio performance, but found the comparative information supported its overall evaluation.

The Board noted that a majority of the Portfolios have underperformed their respective benchmark indexes over the one-, three- and five-year periods ended March 31, 2020, but that a majority of the Portfolios have outperformed their benchmarks since inception for the period ended March 31, 2020. The Board noted that, as of March 31, 2020, 0%, 5% and 26% of the Trust's assets (based on Administrative Class performance) outperformed their respective benchmarks on a net-of-fees basis over the three-, five- and ten-year periods, respectively, but that 82% of the Trust's assets (based on Administrative Class performance) outperformed their benchmarks since inception for the period ended March 31, 2020. The Board also discussed actions that have been taken by PIMCO to attempt to improve performance and took note of PIMCO's plans to monitor performance going forward.

The Board ultimately concluded, within the context of all of its considerations in connection with the Agreements, that PIMCO's performance record and process in managing the Portfolios indicates that its continued management is likely to benefit the Portfolios and their shareholders, and merits the approval of the renewal of the Agreements.

### 4. ADVISORY FEES, SUPERVISORY AND ADMINISTRATIVE FEES AND TOTAL EXPENSES

The Board considered that PIMCO seeks to price new funds to scale at the outset. The Board noted that PIMCO generally seeks to price new funds competitively against the median total expense ratio of the respective Broadridge peer group, if available, while acknowledging that a fee premium may be appropriate for innovative investment offerings. PIMCO reported to the Board that, in proposing fees for any Portfolio or class of shares, it considers a number of factors, including, but not limited to, the type and complexity of the services provided, the cost of providing services, the risk assumed by PIMCO in the development of products and the provision of services and the competitive marketplace for financial products.

In addition, PIMCO reported to the Board that it periodically reviews the fees charged to the Portfolios and that PIMCO may propose advisory fee or supervisory and administrative fee changes where (i) a Portfolio's long-term performance warrants additional consideration; (ii) there is a notable aid to market position; (iii) a Portfolio's fee does not reflect the current level of supervision or administrative fees provided to the Portfolio; or (iv) PIMCO would like to change a Portfolio's overall strategic positioning.

The Board reviewed the advisory fees, supervisory and administrative fees and total expenses of the Portfolios (each as a percentage of average net assets) and compared such amounts with the average and median fee and expense levels of other similar funds. The Board also reviewed information relating to the sub-advisory fees paid to Research Affiliates with respect to applicable Portfolios, taking into account that PIMCO compensates Research Affiliates from the advisory fees paid by such Portfolios to PIMCO. With respect to advisory fees, the Board reviewed data from the Broadridge Report that compared the average and median advisory fees of other funds in a "Peer Group" of comparable funds, as well as the universe of other similar funds. The Board reviewed materials indicating that a number of Portfolios have total expense ratios that fall below the average and median expense ratios in their Peer Group and Broadridge universe. In addition, the Board considered the expense limitation agreement in place for all of the Portfolios and fee waivers in place for certain of the Portfolios and also noted the fee waivers in place with respect to the advisory fee and supervisory and administrative fee that might result from investments by applicable Portfolios in their respective wholly-owned subsidiaries. The Board also considered that PIMCO reviews the Portfolios' fee levels and carefully considers changes where appropriate.

The Board also reviewed data comparing the Portfolios' advisory fees to the fee rates PIMCO charges to separate accounts, private funds, collective investment trusts and sub-advised clients with similar investment strategies. In cases where the fees for other clients were

lower than those charged to the Portfolios, the Trustees noted that the differences in fees were attributable to various factors, including, but not limited to, differences in the advisory and other services provided by PIMCO to the Portfolios, differences in the number or extent of the services provided by PIMCO to the Portfolios, the manner in which similar portfolios may be managed, different requirements with respect to liquidity management and the implementation of other regulatory requirements, and the fact that separate accounts may have other contractual arrangements or arrangements across PIMCO strategies that justify different levels of fees. The Board considered that, with respect to collective investment trusts, PIMCO performs fewer or less extensive services because collective investment trusts are generally exempt from SEC regulation; investors in a collective investment trust may receive shareholder services from a trustee bank, rather than PIMCO; collective investment trusts have less regulatory disclosure; and the management structure of collective investment trusts differs from that of funds. The Trustees also considered that PIMCO faces increased entrepreneurial, legal and regulatory risk in sponsoring and managing mutual funds and ETFs as compared to separate accounts, external sub-advised funds or other investment products.

Regarding advisory fees charged by PIMCO in its capacity as sub-adviser to third party/unaffiliated funds, the Trustees took into account that such fees may be lower than the fees charged by PIMCO to serve as adviser to the Portfolios. The Trustees also took into account that there are various reasons for any such differences in fees, including, but not limited to, the fact that PIMCO may be subject to varying levels of entrepreneurial, legal and regulatory risk and different servicing requirements when PIMCO does not serve as the sponsor of a fund and is not principally responsible for all aspects of a fund's investment program and operations as compared to when PIMCO serves as investment adviser and sponsor.

The Board considered the Portfolios' supervisory and administrative fees, comparing them to similar funds managed by other investment advisers in the Broadridge Report. The Board also considered that, as the Portfolios' business has become increasingly complex and the number of Portfolios has grown over time, PIMCO has provided an increasingly broad array of fund supervisory and administrative functions. In addition, the Board considered the Trust's unified fee structure, under which the Trust pays for the supervisory and administrative services it requires for one set fee. In return for this unified fee, PIMCO provides or procures supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including audit, custodial, portfolio accounting, ordinary legal, transfer agency, sub-accounting and printing costs. The Board further considered that many other funds pay for comparable services separately, and thus it is difficult to directly compare the Trust's unified supervisory and administrative fees with the fees paid by other funds

for administrative services alone. The Board also considered that the unified supervisory and administrative fee leads to Portfolio fees that are fixed over the contract period, rather than variable. The Board noted that, although the unified fee structure does not have breakpoints, it inherently reflects certain economies of scale by fixing the absolute level of Portfolio fees at competitive levels over the contract period even if the Portfolios' operating costs rise when assets remain flat or decrease. Other factors the Board considered in assessing the unified fee include PIMCO's approach of pricing Portfolios at scale at inception and reinvesting in other important areas of the business that support the Portfolios. The Board considered that the Portfolios' unified fee structure meant that fees were not impacted by recent outflows in certain Portfolios, unlike funds without a unified fee structure, which may see increased expense ratios when fixed costs, such as service provider costs, are passed through to a smaller asset base. The Board considered historical advisory and supervisory and administrative fee reductions implemented for different Portfolios and classes, noting that the unified fee can be increased or decreased in subsequent contractual periods with Board approval and is subject to the periodic reviews discussed above. The Board noted that, with few exceptions, PIMCO has generally maintained Portfolio fees at the same level as implemented when the unified fee was adopted, and has reduced fees for a number of Portfolios in prior years. The Board concluded that the Portfolios' supervisory and administrative fees were reasonable in relation to the value of the services provided, including the services provided to different classes of shareholders, and that the expenses assumed contractually by PIMCO under the Supervision and Administration Agreement represent, in effect, a cap on overall Portfolio fees during the contractual period, which is beneficial to the Portfolios and their shareholders.

The Board considered the Portfolios' total expenses and discussed with PIMCO those Portfolios and/or classes of Portfolios that had above median total expenses. Upon comparing the Portfolios' total expenses to other funds in the "Peer Groups" provided by the Broadridge Report, the Board found total expenses of each Portfolio to be reasonable.

The Trustees also considered the advisory fees charged to the Portfolios that operate as funds of funds (the "Funds of Funds") and the advisory services provided in exchange for such fees. The Trustees determined that such services were in addition to the advisory services provided to the underlying funds in which the Funds of Funds may invest and, therefore, such services were not duplicative of the advisory services provided to the underlying funds. The Board also considered the various fee waiver agreements in place for the Funds of Funds. The Board noted that PIMCO is continuing waivers for these Funds of Funds, as well as for certain other Portfolios of the Trust.

Based on the information presented by PIMCO and Research Affiliates, members of the Board determined, in the exercise of their business judgment, that the level of the advisory fees and supervisory and administrative fees charged by PIMCO under the Agreements, that the fees charged by to PIMCO Research Affiliates under the Asset Allocation Agreement, and that the total expenses of each Portfolio, are reasonable.

## 5. ADVISER COSTS, LEVEL OF PROFITS AND ECONOMIES OF SCALE

The Board reviewed information regarding PIMCO's costs of providing services to, as well as the resulting level of profits from, the Portfolios. To the extent applicable, the Board also reviewed information regarding the portion of a Portfolio's advisory fee retained by PIMCO, following the payment of sub-advisory fees to Research Affiliates, with respect to the Portfolios. Additionally, the Board discussed PIMCO's pre-distribution profit margin ranges with respect to the Portfolios, as compared to the prior year. The Board also noted that it had received information regarding the structure and manner in which PIMCO's investment professionals were compensated, and PIMCO's view of the relationship of such compensation to the attraction and retention of quality personnel. The Board considered PIMCO's investment in global infrastructure, technology capabilities, risk management processes and qualified personnel to reinforce and offer new services and to accommodate changing regulatory requirements.

The Board considered the existence of any economies of scale and noted that, to the extent that PIMCO achieves economies of scale in managing the Portfolios, PIMCO shares the benefits of economies of scale, if any, with the Portfolios and their shareholders in a number of ways, including investing in portfolio and trade operations management, firm technology, middle and back office support, legal and compliance, and fund administration logistics; senior management supervision, governance and oversight of those services; and through fee reductions or waivers, the pricing of Portfolios to scale from inception and the enhancement of services provided to the Portfolios in return for fees paid. The Board reviewed the history of the Portfolios' fee structure. The Board considered that the Portfolios' unified fee rates had been set competitively and/or priced to scale from inception, had been held steady during the contractual period at that scaled competitive rate for most Portfolios as assets grew, or as assets declined in the case of some Portfolios, and continued to be competitive compared with peers. The Board also considered that the unified fee is a transparent means of informing a Portfolio's shareholders of the fees associated with the Portfolio, and that the Portfolio bears certain expenses that are not covered by the advisory fee or the unified fee. The Board further considered the challenges that arise when managing large funds, which can result in certain

“diseconomies” of scale and noted that PIMCO has continued to reinvest in many areas of the business to support the Portfolios.

The Trustees considered that the unified fee has provided inherent economies of scale because a Portfolio maintains competitive fixed fees over the annual contract period even if the particular Portfolio’s assets decline and/or operating costs rise. The Trustees further considered that, in contrast, breakpoints may be a proxy for charging higher fees on lower asset levels and that when a fund’s assets decline, breakpoints may reverse, which causes expense ratios to increase. The Trustees also considered that, unlike the Portfolios’ unified fee structure, funds with “pass through” administrative fee structures may experience increased expense ratios when fixed dollar fees are charged against declining fund assets. In addition, the Trustees considered that the unified fee protects shareholders from a rise in operating costs that may result from, among other things, PIMCO’s investments in various business enhancements and infrastructure, including those referenced above. The Trustees noted that PIMCO’s investments in these areas are extensive.

The Board concluded that the Portfolios’ cost structures were reasonable and that PIMCO is appropriately sharing economies of scale, if any, through the Portfolios’ unified fee structure, generally pricing Portfolios to scale at inception and reinvesting in its business to provide enhanced and expanded services to the Portfolios and their shareholders.

## **6. ANCILLARY BENEFITS**

The Board considered other benefits realized by PIMCO and its affiliates as a result of PIMCO’s relationship with the Trust. Such benefits may include possible ancillary benefits to PIMCO’s institutional investment management business due to the reputation and market penetration of the Trust or third party service providers’ relationship-level fee concessions, which decrease fees paid by PIMCO. The Board also considered that affiliates of PIMCO provide distribution and/or shareholder services to the Portfolios and their shareholders, for which they may be compensated through distribution and servicing fees paid pursuant to the Portfolios’ Rule 12b-1 plans or otherwise. The Board noted that, while PIMCO has the authority to receive the benefit of research provided by broker-dealers executing portfolio transactions on behalf of the Portfolios, it has adopted a policy not to enter into contractual soft dollar arrangements.

## **7. CONCLUSIONS**

Based on their review, including their comprehensive consideration and evaluation of each of the broad factors and information summarized above, the Independent Trustees and the Board as a whole concluded that the nature, extent and quality of the services rendered to the Portfolios by PIMCO and Research Affiliates supported the renewal of

the Agreements and the Asset Allocation Agreement. The Independent Trustees and the Board as a whole concluded that the Agreements and the Asset Allocation Agreement continued to be fair and reasonable to the Portfolios and their shareholders, that the Portfolios’ shareholders received reasonable value in return for the fees paid to PIMCO by the Portfolios under the Agreements and the fees paid to Research Affiliates by PIMCO under the Asset Allocation Agreement, and that the renewal of the Agreements and the Asset Allocation Agreement was in the best interests of the Portfolios and their shareholders.

## General Information

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This report is submitted for the general information of the shareholders of the Portfolio listed on the Report cover.

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